

Pension Schemes Bill

[Reissued with Amendment 166 withdrawn. This amendment was published in error.]

CORRECTED MARSHALLED LIST OF AMENDMENTS

TO BE MOVED

ON REPORT

The amendments have been marshalled in accordance with the Instruction of 5th March 2026, as follows –

Clauses 1 to 118
Schedule

Clauses 119 to 123
Title

[Amendments marked ★ are new or have been altered]

**Amendment
No.**

Clause 1

LORD FULLER

- 1★ Clause 1, page 2, line 31, at end insert –
“(ca) the Government Actuary’s Department;
(cb) the Pensions Regulator;”

LORD FULLER
BARONESS ALTMANN

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

Member's explanatory statement

This amendments 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.

LORD SHARKEY

- 3★ Clause 1, page 3, line 7, at end insert –
“(7A) Scheme regulations made under this section are subject to the agreed amendment procedure, as defined by section 120(4).”

Member's explanatory statement

This amendment seeks to clarify the Government's willingness to subject regulations made under this section to the agreed amendment procedure, as defined in another amendment in the name of Lord Sharkey to clause 120.

Clause 2

BARONESS NOAKES
BARONESS STEDMAN-SCOTT
BARONESS BOWLES OF BERKHAMSTED
BARONESS ALTMANN

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

“(4A) The provision made by virtue of subsection (1) may not include any provision about investment in specific assets or asset classes or about the location of investments.”

LORD FULLER
BARONESS ALTMANN

5 Clause 2, page 4, line 32, leave out from “managers” to end of line 33

Member's explanatory statement

This amendment would permit the investments by the LGPS in investment opportunities created by other scheme managers and asset pools within the wider LGPS.

Clause 4

BARONESS SHERLOCK

6 Clause 4, page 6, line 4, at end insert “acting in its capacity as a local government pension scheme manager”

Member's explanatory statement

This is a drafting amendment to clarify that only contracts made by a local government pension scheme manager acting in its capacity as such can be exempt contracts under clause 4.

BARONESS SHERLOCK

7 Clause 4, page 6, line 17, at end insert “acting in their capacity as local government pension scheme managers”

Member's explanatory statement

This is a drafting amendment to clarify that the “80% condition” refers only to investment management activities carried out for local government pension scheme managers acting in their capacity as such.

BARONESS SHERLOCK

- 8 Clause 4, page 7, line 11, after “a” insert “local government pension”

Member's explanatory statement

This is a drafting amendment to clarify that in the definition of “investment management activities” the reference is to funds or other assets for which a local government pension scheme manager is responsible.

After Clause 7

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

- 9 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

10 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
BARONESS ALTMANN

11 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.

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

12 After Clause 7, insert the following new Clause –

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

- (1) The Secretary of State must by regulations made under section 3 of the Public Service Pensions Act 2013 (scheme regulations) amend the Local Government Pension Scheme Regulations 2013 (S.I. 2013/2356) as follows.
- (2) After regulation 58(4) (funding strategy statement), insert –
 - “(5) The funding strategy statement must comply with regulation 64A(2) and be published in a form accessible to non-specialist readers.”
- (3) Regulation 64A (revision of rates and adjustments certificate: scheme employer contributions) is amended as set out in subsection (4).
- (4) For paragraphs (1) and (2), substitute –
 - “(1) The administering authority may obtain a revised rates and adjustments certificate where the funding strategy statement sets out the administering authority’s policy on revising contributions between valuations and one or more of the following conditions is met –
 - (a) there has been a significant change in the liabilities arising or likely to arise since the last valuation;
 - (b) there has been a significant change in the employer’s ability to meet its obligations to the Scheme, consistent with that employer’s obligations to deliver value for money and services for local taxpayers;
 - (c) the employer requests a review and agrees to meet the reasonable costs of that review.
 - (2) The funding strategy statement must include a clear and accessible policy on revising contributions between valuations, including –
 - (a) the process and evidential requirements for employers to request a review,
 - (b) indicative timescales for the administering authority to determine such a request,
 - (c) the criteria the administering authority and fund actuary will apply (including risk appetite and prudence levels), and
 - (d) the approach to apportioning reasonable costs of any review.
 - (3) Where an employer makes a request under paragraph (1)(c), the administering authority must –
 - (a) acknowledge the request within 10 working days,
 - (b) determine the request within 12 weeks (or such longer period as is agreed with the employer), and
 - (c) provide written reasons for its decision.

- (4) For any review under this regulation, the fund actuary must prepare an Actuarial Methods Statement which—
- (a) explains, step by step, the models and methodologies used to project liabilities, assets and funding needs,
 - (b) sets out all material assumptions, including discount rates, inflation, salary growth, mortality, longevity improvements and any smoothing or damping mechanisms,
 - (c) specified the level of prudence applied and how that prudence has been determined, and
 - (d) provides sensitivity and scenario analysis showing potential outcomes under varying market conditions and employer covenant assessments.
- (5) The administering authority must publish the Actuarial Methods Statement alongside the decision under paragraph (3)(c), subject only to the redaction of information which is commercially sensitive or relates to individuals.
- (6) The Secretary of State must issue statutory guidance on—
- (a) how councils and other employers may make requests under paragraph (1)(c),
 - (b) the matters administering authorities should take into account when considering such requests, including the balance between Scheme solvency and local taxpayers' interests in the continued delivery of core services, and
 - (c) the minimum standards for actuarial transparency under paragraph (5).
- (7) Administering authorities must have regard to guidance issued under paragraph (6)(a).
- (8) The Secretary of State must publish the guidance within six months of the day on which the Pension Schemes Act 2026 is passed.”

Member's explanatory statement

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

Clause 9

BARONESS ALTMANN

13★ Clause 9, page 10, line 36, at end insert—

- “(6A) Prior to making modifications to scheme rules in line with this section, trustees must commission and consider relevant formal actuarial advice regarding the impact of surplus distribution on scheme funding and future member or employer benefits and must consider alternative approaches for dealing with a surplus that include—
- (a) running the scheme on without new contributions,
 - (b) transferring to a superfund, and

(c) buying annuities.”

Member's explanatory statement

This amendment would require trustees to ensure they have had formal advice about surplus distribution before changing scheme rules, and the impact of alternative ways to deal with scheme funding.

Clause 10

VISCOUNT THURSO
LORD PALMER OF CHILDS HILL

14 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

15 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
LORD PALMER OF CHILDS HILL

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

VISCOUNT THURSO
LORD PALMER OF CHILDS HILL

17 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
LORD PALMER OF CHILDS HILL

18 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

19 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

20 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.

BARONESS SHERLOCK

21 Clause 10, page 12, line 7, after “76” insert “of the Pensions Act 1995”

Member's explanatory statement

This amendment corrects a mistake in a cross-reference to the Pensions Act 1995.

After Clause 10

VISCOUNT THURSO
LORD PALMER OF CHILDS HILL

22 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

23 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
BARONESS BOWLES OF BERKHAMSTED

24 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.

BARONESS BOWLES OF BERKHAMSTED
BARONESS ALTMANN

- 25 Clause 11, page 14, line 7, at end insert –
“(14) Value for money regulations must provide for individual assessment and performance reporting for each prescribed type of asset.”

Clause 12

BARONESS SHERLOCK

- 26 Clause 12, page 14, line 40, leave out “specified” and insert “determined”

Member's explanatory statement

This amendment corrects a consistency mistake.

BARONESS STEDMAN-SCOTT
VISCOUNT YOUNGER OF LECKIE

- 27★ Clause 12, page 14, line 40, at end insert –
- “(4) Value for money regulations must require that any metric data, VFM assessment or VFM rating published under sections 11 to 19 is made publicly available in a clear, accessible and comprehensible format.
- (5) Regulations under subsection (4) must in particular require that –
- (a) information is presented in a standardised format which enables members to compare the performance, costs and services of different pension schemes or arrangements;
 - (b) summaries of VFM assessments and ratings are written in plain language suitable for persons without professional or specialist knowledge of pensions or financial services;
 - (c) the information is readily accessible to the public, including through electronic means.
- (6) The Secretary of State must consult the Pensions Regulator, the Financial Conduct Authority, and such persons appearing to represent the interests of pension scheme members as the Secretary of State considers appropriate before making regulations under subsection (4).”

Member's explanatory statement

This amendment would require value for money information produced under the Act to be made publicly available in a clear, standardised and accessible format so that savers and others can understand and compare the performance, costs and quality of pension schemes.

Clause 15

BARONESS ALTMANN

- 28 Clause 15, page 16, line 29, leave out “fully delivering” and insert “good value”

Member's explanatory statement

This amendment seeks to simplify the language in Value for Money assessments, to make them more intuitively understood by members.

BARONESS ALTMANN

- 29 Clause 15, page 16, line 32, leave out “not delivering” and insert “poor value”

Member's explanatory statement

This amendment seeks to simplify the language in Value for Money assessments, to make them more intuitively understood by members.

BARONESS ALTMANN

- 30 Clause 15, page 17, line 17, leave out “not delivering” and insert “poor value”

Member's explanatory statement

This amendment seeks to simplify the language in Value for Money assessments, to make them more intuitively understood by members.

BARONESS ALTMANN

- 31 Clause 15, page 17, line 21, leave out “not delivering” and insert “poor value”

Member's explanatory statement

This amendment seeks to simplify the language in Value for Money assessments, to make them more intuitively understood by members.

Clause 16

BARONESS ALTMANN
BARONESS BOWLES OF BERKHAMSTED

- 32 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.

Clause 17

BARONESS ALTMANN

- 33 Clause 17, page 19, line 2, leave out “not delivering” and insert “poor value”

Member's explanatory statement

This amendment seeks to simplify the language in Value for Money assessments, to make them more intuitively understood by members.

BARONESS ALTMANN

- 34 Clause 17, page 19, line 12, leave out “not delivering” and insert “poor value”

Member's explanatory statement

This amendment seeks to simplify the language in Value for Money assessments, to make them more intuitively understood by members.

BARONESS ALTMANN

- 35 Clause 17, page 19, line 40, leave out “fully delivering” and insert “good value”

Member's explanatory statement

This amendment seeks to simplify the language in Value for Money assessments, to make them more intuitively understood by members.

Clause 18

BARONESS SHERLOCK

- 36 Clause 18, page 20, line 19, leave out “Regulations under subsection (1)” and insert “Value for money regulations”

Member's explanatory statement

This amendment corrects a consistency mistake.

BARONESS SHERLOCK

- 37 Clause 18, page 20, line 36, leave out “The regulations” and insert “Value for money regulations”

Member's explanatory statement

This amendment corrects a consistency mistake.

BARONESS SHERLOCK

- 38 Clause 18, page 20, line 38, leave out “the regulations” and insert “value for money regulations”

Member's explanatory statement

This amendment corrects a consistency mistake.

BARONESS SHERLOCK

- 39 Clause 18, page 21, line 19, leave out “Regulations” and insert “Value for money regulations”

Member's explanatory statement

This amendment corrects a consistency mistake.

BARONESS ALTMANN

- 40 Clause 18, page 21, line 36, leave out “not delivering” and insert “poor value”

Member's explanatory statement

This amendment seeks to simplify the language in Value for Money assessments, to make them more intuitively understood by members.

BARONESS ALTMANN

- 41 Clause 18, page 22, line 3, leave out “not delivering” and insert “poor value”

Member's explanatory statement

This amendment seeks to simplify the language in Value for Money assessments, to make them more intuitively understood by members.

BARONESS ALTMANN

- 42 Clause 18, page 22, line 14, leave out “not delivering” and insert “poor value”

Member's explanatory statement

This amendment seeks to simplify the language in Value for Money assessments, to make them more intuitively understood by members.

BARONESS ALTMANN

- 43 Clause 18, page 22, line 21, leave out “not delivering” and insert “poor value”

Member's explanatory statement

This amendment seeks to simplify the language in Value for Money assessments, to make them more intuitively understood by members.

After Clause 19

VISCOUNT YOUNGER OF LECKIE
BARONESS STEDMAN-SCOTT

44 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 21

BARONESS ALTMANN

45 Clause 21, page 23, line 15, leave out first “fully delivering” and insert “good value”

Member's explanatory statement

This amendment seeks to simplify the language in Value for Money assessments, to make them more intuitively understood by members.

BARONESS ALTMANN

46 Clause 21, page 23, line 15, leave out second “fully delivering” and insert “good value”

Member's explanatory statement

This amendment seeks to simplify the language in Value for Money assessments, to make them more intuitively understood by members.

BARONESS ALTMANN

47 Clause 21, page 23, line 22, leave out first “not delivering” and insert “poor value”

Member's explanatory statement

This amendment seeks to simplify the language in Value for Money assessments, to make them more intuitively understood by members.

BARONESS ALTMANN

48 Clause 21, page 23, line 22, leave out second “not delivering” and insert “poor value”

Member's explanatory statement

This amendment seeks to simplify the language in Value for Money assessments, to make them more intuitively understood by members.

Clause 22

BARONESS ALTMANN
BARONESS STEDMAN-SCOTT

49 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 three years, not just after one year.

BARONESS ALTMANN

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

Member's explanatory statement

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

Clause 23

BARONESS SHERLOCK

- 51 Clause 23, page 25, line 22, leave out “specified” and insert “prescribed”

Member's explanatory statement

This amendment corrects a mistake.

Clause 40BARONESS BOWLES OF BERKHAMSTED
BARONESS STEDMAN-SCOTT

- 52 Clause 40, page 38, line 12, leave out “and Condition 2”

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

- 53 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
BARONESS ALTMANN

- 54 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
 BARONESS ALTMANN

55 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 ALTMANN

56 Clause 40, page 38, line 34, at end insert –

“(c) able to demonstrate that they deliver an innovative approach to member communication and administration, relative to other Master Trusts which hold an approval under section 28A in respect of a main scale default.”

Member's explanatory statement

This amendment allows Master Trusts which deliver an innovative approach to member communication and administration to be excluded from the scale requirements.

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

57 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
 LORD VAUX OF HARROWDEN

58 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
LORD VAUX OF HARROWDEN

59 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

60 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
LORD VAUX OF HARROWDEN

61 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
 LORD VAUX OF HARROWDEN

62 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
 LORD VAUX OF HARROWDEN

63 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

64 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 Master Trust”

Member's explanatory statement

This amendment seeks to ensure that this legislation does not exclude Master Trusts 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

65 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

- 66 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
BARONESS ALTMANN

- 67 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

- 68 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

- 69 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

- 70 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

- 71 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

- 72 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

- 73 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

- 74 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

- 75 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

- 76 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

- 77★ 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 condition in subsection (2) is met.
- (2) The Regulator must be satisfied that there is no reasonable evidence that consolidation of the scheme into another arrangement would be likely to improve outcomes for members.
- (3) In determining whether the condition in subsection (2) is 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.
- (4) Regulations under this section may make provision about—
- (a) the duration, renewal and withdrawal of a determination under subsection (1);
 - (b) reporting and disclosure requirements.”

BARONESS BOWLES OF BERKHAMSTED
 BARONESS STEDMAN-SCOTT
 VISCOUNT YOUNGER OF LECKIE
 LORD VAUX OF HARROWDEN

78 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
 BARONESS ALTMANN

79 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

80 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

81 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

82 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
BARONESS PENN

83 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

84 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 BOWLES OF BERKHAMSTED
BARONESS STEDMAN-SCOTT
LORD FULLER
BARONESS ALTMANN

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

BARONESS ALTMANN
BARONESS BOWLES OF BERKHAMSTED

86 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

87 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
 BARONESS ALTMANN

88 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

89 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

90 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

91 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
 BARONESS PENN

92 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 SHERLOCK

93 Clause 40, page 49, leave out lines 23 to 31 and insert –

“(7) Regulations may make provision of a kind mentioned in section 28A(10) or (11); and for this purpose a reference in those provisions –

- (a) to an approval under section 28A is to be read as a reference to an approval under this section;
- (b) to a relevant Master Trust is to be read as a reference to a relevant Master Trust or a group personal pension scheme;
- (c) to the trustees or managers of a relevant Master Trust is to be read as a reference to the trustees or managers of a relevant Master Trust or the provider of a group personal pension scheme.”

Member's explanatory statement

This amendment correct a consistency mistake and provides for regulations about approvals under inserted section 28E of the Pensions Act 2008 to make equivalent provision to regulations about approvals under inserted section 28A of that Act.

BARONESS NOAKES
 BARONESS STEDMAN-SCOTT
 BARONESS NEVILLE-ROLFE
 BARONESS ALTMANN

- 94 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 SHERLOCK

- 95 Clause 40, page 50, leave out lines 11 to 20 and insert—
- “(3) Regulations may make provision of a kind mentioned in section 28A(10) or (11); and for this purpose a reference in those provisions—
- (a) to an approval under section 28A is to be read as a reference to an approval under this section;
 - (b) to a relevant Master Trust is to be read as a reference to a relevant Master Trust or a group personal pension scheme;
 - (c) to the trustees or managers of a relevant Master Trust is to be read as a reference to the trustees or managers of a relevant Master Trust or the provider of a group personal pension scheme.”

Member's explanatory statement

This amendment corrects a consistency mistake and provides for regulations about approvals under inserted section 28F of the Pensions Act 2008 to make equivalent provision to regulations about approvals under inserted section 28A of that Act.

BARONESS BOWLES OF BERKHAMSTED
 BARONESS STEDMAN-SCOTT
 VISCOUNT YOUNGER OF LECKIE
 LORD VAUX OF HARROWDEN

- 96 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

- 97 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

98 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
LORD VAUX OF HARROWDEN

99 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
LORD VAUX OF HARROWDEN

100 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
LORD VAUX OF HARROWDEN

101 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
 LORD VAUX OF HARROWDEN

102 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

103 Clause 40, page 53, line 35, at end insert —

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

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

104 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

105 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
LORD VAUX OF HARROWDEN

106 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

107 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
LORD VAUX OF HARROWDEN

108 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
LORD VAUX OF HARROWDEN

109 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
LORD VAUX OF HARROWDEN

110 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
LORD VAUX OF HARROWDEN

111 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

- 112** 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

- 113** 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

- 114** 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

115 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.

Clause 49

BARONESS SHERLOCK

116 Clause 49, page 69, line 4, leave out “or entitled to” and insert “, or has an actual or prospective right to,”

Member's explanatory statement

This amendment ensures that default pension benefit solutions must be designed and made available to deferred members (as well as active and pensioner members).

Clause 71

BARONESS SHERLOCK

117 Clause 71, page 86, line 24, after “exceeds” insert “a specified percentage of”

Member's explanatory statement

This amendment would provide for the protected liabilities threshold in Part 3 (superfunds) to be met if the total value of the assets of the relevant scheme and the capital buffer exceeds a percentage of the scheme’s protected liabilities specified in regulations made by the Secretary of State.

BARONESS SHERLOCK

118 Clause 71, page 86, line 25, leave out from “liabilities” to end of line 26

Member's explanatory statement

This amendment is consequential on the amendment in the name of Baroness Sherlock to clause 71 at page 86, line 24.

BARONESS SHERLOCK

119 Clause 71, page 86, line 33, at end insert –

““specified” means specified in regulations made by the Secretary of State;”

Member's explanatory statement

This amendment is consequential on the amendment in the name of Baroness Sherlock to clause 71 at page 86, line 24.

After Clause 96

LORD PALMER OF CHILDS HILL

120 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 SHERLOCK

- 121** Clause 108, page 116, line 5, after “scheme” insert “or for the purposes of complying with a GMP equalisation obligation”

Member's explanatory statement

This amendment makes clear that sub-paragraph (2B) (and not sub-paragraph (2A)) of paragraph 28 of Schedule 7 to the Pensions Act 2004 (inserted by this clause) applies to a case where pension scheme rules required pre-1997 indexation only for the purposes of removing inequalities as between men and women arising from the provision of guaranteed minimum pensions.

BARONESS SHERLOCK

- 122** Clause 108, page 116, leave out lines 14 to 24 and insert –
“(c) sub-paragraph (2A) does not apply.”

Member's explanatory statement

This amendment is consequential on the amendment to this clause in my name at page 116, line 5.

BARONESS SHERLOCK

- 123** Clause 108, page 119, line 33, at end insert –
““GMP equalisation obligation” means any obligation under an enactment, a rule of law or the scheme rules which relates to the removal of inequalities as between men and women in respect of the provision of a guaranteed minimum pension;”

Member's explanatory statement

This amendment is consequential on the amendment to this clause in my name at page 116, line 5.

BARONESS ALTMANN
VISCOUNT THURSO

- 124** 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 SHERLOCK

- 125** Clause 108, page 120, line 40, after “scheme” insert “or for the purposes of complying with a GMP equalisation obligation”

Member's explanatory statement

This amendment makes clear that sub-paragraph (2B) (and not sub-paragraph (2A)) of paragraph 17 of Schedule 5 to the Pensions Act 2008 (inserted by this clause) applies to a case where pension scheme rules required pre-1997 indexation only for the purposes of removing inequalities as between men and women arising from the provision of guaranteed minimum pensions.

BARONESS SHERLOCK

- 126** Clause 108, page 121, leave out lines 10 to 20 and insert—
“(d) sub-paragraph (2A) does not apply.”

Member's explanatory statement

This amendment is consequential on the amendment to this clause in my name at page 120, line 40.

BARONESS SHERLOCK

- 127** Clause 108, page 124, line 24, leave out paragraph (h) and insert—
“(h) in paragraph (9), for the definition of “post-1997 service” substitute—

““GMP equalisation obligation” has the same meaning as in paragraph 28 of Schedule 7 to the Pensions Act 2004 (annual increase in periodic pension compensation);

“GMP indexation period” means the period beginning with 6 April 1988 and ending with 5 April 1997;

“guaranteed minimum pension” has the same meaning as in the Pension Schemes Act 1993 (see section 8(2) of that Act);

“post-1997 service”, “pre-1997 service” and “GMP indexed service” have the same meaning as in paragraph 28 of Schedule 7 to the Pensions Act 2004;

“the assessment date” and “admissible rules”, in relation to a pension scheme, have the same meaning as in that Schedule (see paragraphs 2 and 35 of that Schedule);”.

Member's explanatory statement

This amendment is consequential on the amendment to this clause in my name at page 120, line 40 and inserts a missed definition.

BARONESS ALTMANN
VISCOUNT THURSO

128 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 SHERLOCK

129 Clause 109, page 125, line 29, after “scheme” insert “or for the purposes of complying with a GMP equalisation obligation”

Member's explanatory statement

This amendment makes clear that sub-paragraph (2B) (and not sub-paragraph (2A)) of paragraph 28 of Schedule 6 to the Pensions (Northern Ireland) Order 2005 (inserted by this clause) applies to a case where pension scheme rules required pre-1997 indexation only for the purposes of removing inequalities as between men and women arising from the provision of guaranteed minimum pensions.

BARONESS SHERLOCK

130 Clause 109, page 125, line 38, leave out from beginning to end of line 7 on page 126 and insert –

“(c) sub-paragraph (2A) does not apply.”

Member's explanatory statement

This amendment is consequential on the amendment to this clause in my name at page 125, line 29.

BARONESS SHERLOCK

131 Clause 109, page 129, line 14, at end insert –

““GMP equalisation obligation” means any obligation under an enactment, a rule of law or the scheme rules which relates to the removal of inequalities as between men and women in respect of the provision of a guaranteed minimum pension;”

Member's explanatory statement

This amendment is consequential on the amendment to this clause in my name at page 125, line 29.

BARONESS ALTMANN
VISCOUNT THURSO

132 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 SHERLOCK

- 133 Clause 109, page 130, line 22, after “scheme” insert “or for the purposes of complying with a GMP equalisation obligation”

Member's explanatory statement

This amendment makes clear that sub-paragraph (2B) (and not sub-paragraph (2A)) of paragraph 17 of Schedule 4 to the Pensions (No.2) Act (Northern Ireland) 2008 (inserted by this clause) applies to a case where pension scheme rules required pre-1997 indexation only for the purposes of removing inequalities as between men and women arising from the provision of guaranteed minimum pensions.

BARONESS SHERLOCK

- 134 Clause 109, page 130, leave out lines 35 to 45 and insert—
“(d) sub-paragraph (2A) does not apply.”

Member's explanatory statement

This amendment is consequential on the amendment to this clause in my name at page 130, line 22.

BARONESS SHERLOCK

- 135 Clause 109, page 134, leave out lines 7 to 18 and insert—
““GMP equalisation obligation” has the same meaning as in paragraph 28 of Schedule 6 to the 2005 Order (annual increase in periodic pension compensation);
“GMP indexation period” means the period beginning with 6 April 1988 and ending with 5 April 1997;
“guaranteed minimum pension” has the same meaning as in the Pension Schemes Act (see section 4(2) of that Act);
“post-1997 service”, “pre-1997 service” and “GMP indexed service” have the same meaning as in paragraph 28 of Schedule 6 to the 2005 Order;
“the assessment date” and “admissible rules”, in relation to a pension scheme, have the same meaning as in that Schedule (see paragraphs 2 and 35 of that Schedule).””

Member's explanatory statement

This amendment is consequential on the amendment to this clause in my name at page 130, line 22 and inserts a missed definition.

BARONESS ALTMANN
VISCOUNT THURSO

136 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.

Clause 110

BARONESS SHERLOCK

137 Clause 110, page 135, line 35, after “scheme” insert “or for the purposes of complying with a GMP equalisation obligation”

Member's explanatory statement

This amendment makes clear that sub-paragraph (2B) (and not sub-paragraph (2A)) of paragraph 9 of Schedule 2 to the Financial Assistance Scheme Regulations 2005 (inserted by this clause) applies to a case where pension scheme rules required pre-1997 indexation only for the purposes of removing inequalities as between men and women arising from the provision of guaranteed minimum pensions.

BARONESS SHERLOCK

138 Clause 110, page 136, leave out lines 1 to 10 and insert –

“(c) sub-paragraph (2A) does not apply.”

Member's explanatory statement

This amendment is consequential on the amendment to this clause in my name at page 135, line 35.

BARONESS SHERLOCK

- 139 Clause 110, page 136, line 35, leave out “(2B) and” and insert “(2A) to”

Member's explanatory statement

This amendment is consequential on the next amendment to this clause in my name.

BARONESS SHERLOCK

- 140 Clause 110, page 136, line 35, at end insert—

““GMP equalisation obligation” means any obligation under an enactment, a rule of law or the scheme rules which relates to the removal of inequalities as between men and women in respect of the provision of a guaranteed minimum pension;”

Member's explanatory statement

This amendment is consequential on the amendment to this clause in my name at page 135, line 35.

BARONESS SHERLOCK

- 141 Clause 110, page 138, line 9, after “scheme” insert “or for the purposes of complying with a GMP equalisation obligation”

Member's explanatory statement

This amendment makes clear that sub-paragraph (2B) (and not sub-paragraph (2A)) of paragraph 9 of Schedule 2A to the Financial Assistance Scheme Regulations 2005 (inserted by this clause) applies to a case where pension scheme rules required pre-1997 indexation only for the purposes of removing inequalities as between men and women arising from the provision of guaranteed minimum pensions.

BARONESS SHERLOCK

- 142 Clause 110, page 138, leave out lines 18 to 27 and insert—

“(c) sub-paragraph (2A) does not apply.”

Member's explanatory statement

This amendment is consequential on the amendment to this clause in my name at page 138, line 9.

BARONESS SHERLOCK

- 143 Clause 110, page 139, line 7, at end insert—

““GMP equalisation obligation” means any obligation under an enactment, a rule of law or the scheme rules which relates to the removal of inequalities as between men and women in respect of the provision of a guaranteed minimum pension;”

Member's explanatory statement

This amendment is consequential on the amendment to this clause in my name at page 138, line 9.

BARONESS SHERLOCK

144 Clause 110, page 139, line 24, leave out subsections (12) and (13)

Member's explanatory statement

This amendment removes provision amending Schedules 3 and 5 to the Financial Assistance Scheme Regulations 2005.

After Clause 110

BARONESS SHERLOCK

145 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

146 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

147 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

148

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

149

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

150 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), (b) or (c).
- (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

151 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

152 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

153 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.

BARONESS ALTMANN
VISCOUNT THURSO

154 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
VISCOUNT THURSO

155 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 SHERLOCK

156 After Clause 117, insert the following new Clause –

“Investment principles and choosing investments: guidance

In Part 1 of the Pensions Act 1995 (occupational pensions), after section 36 insert –

“36ZA Investment principles and choosing investments: guidance

- (1) The Secretary of State must issue guidance explaining such aspects of the law contained in regulations made under section 35(4) (statement of investment principles) and section 36(1) (choosing investments) as the Secretary of State considers appropriate.

- (2) Guidance issued under this section may, in particular –
 - (a) explain the meaning of any expression relevant to that law;
 - (b) include examples to illustrate how that law applies to particular scenarios.
- (3) The trustees of a trust scheme, and any fund manager to whom any discretion has been delegated under section 34 (power of investment and delegation), must have regard to guidance issued under this section.
- (4) The Secretary of State –
 - (a) must from time to time review any guidance issued under this section;
 - (b) may from time to time revise and re-issue guidance under this section.
- (5) Before issuing guidance under this section, the Secretary of State must consult such persons as the Secretary of State considers appropriate.
- (6) The requirement to consult those persons may be satisfied by consultation carried out before this section comes into force.
- (7) The Secretary of State must –
 - (a) lay guidance issued under this section before Parliament, and
 - (b) publish such guidance in such manner as the Secretary of State considers appropriate.
- (8) The first guidance issued under this section must be laid before Parliament, and published, before the end of the period of 12 months beginning with the day on which this section comes into force.”

Member's explanatory statement

This amendment would require the Secretary of State to issue guidance explaining aspects of the law contained in certain pensions regulations. The guidance may in particular explain the meaning of expressions in those regulations, such as “financially material considerations” (including “environmental, social and governance considerations”) and “best interests of members”.

BARONESS NEVILLE-ROLFE
LORD MOYNIHAN OF CHELSEA
BARONESS NOAKES

157

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

158 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
LORD VAUX OF HARROWDEN

159 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

160 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
BARONESS ALTMANN

161 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
BARONESS ALTMANN

162 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

163 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

164 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

165 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

166 [Withdrawn]

BARONESS HAYMAN
 BARONESS PENN
 LORD SHARKEY
 BARONESS GRIFFIN OF PRINCETHORPE

167 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

168

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

169 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.”

LORD SHARKEY

170 After Clause 117, insert the following new Clause –

“Fossil fuels and climate risk

- (1) The Pensions Act 1995 is amended according to subsections (2) and (3).
- (2) After section 41B (climate change risk: publication of information), insert –
- “41BA Climate change risk and occupational pension schemes: Secretary of State duty**
- (1) The Secretary of State must collect information on, or estimates of –
- (a) the amount, and
 - (b) the change in the amount of,

relevant assets held by the trustees of occupational pension schemes.

- (2) The Secretary of State must prepare and publish an annual report on the information collected under subsection (1).
- (3) Regulations may require the trustees or managers of an occupational pension scheme of a prescribed description to supply the information in subsection (1).

41BB Climate change risk: relevant assets

- (1) The relevant assets in sections 41BA are issuance by issuers which—
 - (a) derive 10% or more of their annual revenue from the production, transport or combustion of thermal coal,
 - (b) produce more than 10 million tonnes of thermal coal each year,
 - (c) are developing new mines, new power plants or new infrastructure for the extraction or use of thermal coal,
 - (d) derive more than 5GW of power generation capacity from thermal coal, or
 - (e) derive more than 10% of power generation capacity from thermal coal.
- (2) 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.
- (3) The Secretary of State may, by regulations, give effect to the outcome of the considerations in subsection (2).
- (4) In this section—

“issuance” means all investable assets, including equity and debt;

“thermal coal” means coal and lignite used in the generation of electricity and in providing heat for industrial or residential purposes.”
- (3) In section 41C (compliance) for “section 41A or 41B”, in each place it occurs, substitute “any of sections 41A to 41BB”.
- (4) The Financial Conduct Authority must make general rules with effects corresponding to the provisions inserted by subsection (2) 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 by regulations make provision with effects corresponding to the provisions inserted by subsection (2) for the Local Government Pension Scheme.
- (6) Regulations under this section are subject to the affirmative procedure.”

Member's explanatory statement

This amendment would require pension investments in thermal coal by private sector occupational schemes, workplace personal pension schemes and the LGPS to be annually monitored and reported on. It also requires periodic consideration of whether the range of reported-on assets should be extended.

The Schedule

BARONESS SHERLOCK

171 The Schedule, page 158, leave out lines 18 to 20 and insert –

““(da) sections 20, 26 and 28A to 28I of the Pensions Act 2008 (scale and asset allocation),”;

Member's explanatory statement

This amendment would provide for the Pensions Regulator to issue codes of practice in relation to sections 20, 26 and 28A to 28I of the Pensions Act 2008 (scale and asset allocation).

Clause 120

LORD SHARKEY

172 Clause 120, page 153, line 32, at end insert –

“(4) Where regulations under this Act are subject to the “agreed amendment procedure” and the statutory instrument containing them has been laid in draft, if each House of Parliament passes a resolution that the regulations have effect with a specified amendment, the regulations have effect as amended.”

Member's explanatory statement

This would allow draft statutory instruments generated by this Act to be amended by agreement of both Houses.

Clause 121

BARONESS SHERLOCK

173 Clause 121, page 153, line 35, 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

174 Clause 122, page 154, line 9, at end insert –

“(za) Chapter 1 comes into force on such day as the Secretary of State may by regulations appoint;”

Member's explanatory statement

This amendment would provide for Chapter 1 of Part 2 of the Bill (value for money) to come into force on such day as the Secretary of State may by regulations appoint.

BARONESS SHERLOCK

175 Clause 122, page 154, line 10, leave out “Chapters 1 and 2 come” and insert “Chapter 2 comes”

Member's explanatory statement

This amendment is consequential on the amendment in the name of Baroness Sherlock to clause 122 at page 154, line 9.

BARONESS BOWLES OF BERKHAMSTED

176 Clause 122, page 154, leave out lines 32 and 33

BARONESS SHERLOCK

177 Clause 122, page 155, line 2, 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”.

BARONESS SHERLOCK

178 Clause 122, page 155, line 14, at end insert –

“(f) section (*Investment principles and choosing investments: guidance*) comes into force at the end of the period of two months beginning with the day on which this Act is passed.”

Member's explanatory statement

This amendment is consequential on the new Clause in the name of Baroness Sherlock to be inserted after Clause 117 and relating to “Investment principles and choosing investments: guidance”.

Pension Schemes Bill

CORRECTED MARSHALLED LIST OF AMENDMENTS
TO BE MOVED
ON REPORT

12 March 2026

PUBLISHED BY AUTHORITY OF THE HOUSE OF LORDS