Steve Webb

Clause 4, page 4, line 9, leave out ‘within the prescribed period’ and insert ‘with effect from—

(a) the day after the cessation referred to in paragraph (a) or (b) of subsection (1), or
(b) a day within the prescribed period (if a period is prescribed)

Steve Webb

Clause 4, page 4, line 11, leave out ‘for subsection (4)’ and insert ‘after subsection (1) insert—

“(1A) This section also applies to a jobholder who—

(a) is aged at least 22,
(b) has not reached pensionable age, and
(c) is not an active member of a qualifying scheme because there has been a period beginning at any time after the jobholder’s automatic enrolment date during which the requirements of section 1(1)(a) or (c) were not met (so that the person was not a jobholder for that period).

(1B) This section also applies to a jobholder who has ceased to be an active member of a qualifying scheme because of something other than an action or omission by the jobholder.”

( ) For subsection (4) of that section

Steve Webb

Clause 4, page 4, line 19, at end insert—

“( ) In subsection (8) of that section omit “, after the automatic enrolment date,”.”

Steve Webb

Clause 4, page 4, leave out line 21 and insert ‘(4)—
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(a) in paragraph (a) omit “at any time after the jobholder’s automatic enrolment date,”;

(b) in that paragraph omit “or a qualifying scheme of which the jobholder is an active member ceases to be such a scheme”;

(c) in paragraph (b) omit “or the employer”;

(d) in paragraph (c) for “time” substitute “event”.

Steve Webb

Agreed to 5

Clause 4, page 4, line 22, leave out from ‘(inducements)’ to end of line 23 and insert—

‘(a) in subsection (1)(a) for “within the period prescribed under section 2(3)” substitute “with effect from—

(i) the day after the membership is given up, or

(ii) a day within the prescribed period (if a period is prescribed)”;

(b) in subsection (1)(b) for “within the period prescribed under section 2(3)” substitute “with effect from—

(i) the day on which the jobholder became an active member of the scheme to which the notice relates, or

(ii) a day within the prescribed period (if a period is prescribed)”.

Clause, as amended, agreed to.

Rachel Reeves

Negatived on division 28

Clause 5, page 4, line 30, leave out ‘£7,475’ and insert ‘the primary threshold for national insurance purposes.’.

Steve Webb

Agreed to 6

Clause 5, page 4, line 39, leave out from beginning to end of line 14 on page 5 and insert—

‘“(1) This section applies to a jobholder—

(a) who is aged at least 22,

(b) who has not reached pensionable age, and

(c) to whom earnings of more than £7,475 are payable by the employer in the relevant pay reference period (see section 15).”’.

Teresa Pearce

Not called 37

Clause 5, page 5, line 19, at end add—

‘(7C) The Secretary of State must report to both Houses of Parliament within one year of the commencement of the Universal Credit as set out in the Welfare Reform Act 2011 the trends relating to part-time work that may have emerged.’.
Clause, as amended, agreed to.

Teresa Pearce

Clause 6, page 6, line 14, at end insert—
‘(5A) An employer may only give an employee one notice under this section.’.

Rachel Reeves

Clause 6, page 6, line 15, leave out ‘three’ and insert ‘one’.

Rachel Reeves

Clause 6, page 6, line 16, at end insert ‘, except in the case of notices given under subsections (1) and (3), it cannot be longer than three months from the day on which the worker begins to be employed by E.’.

Steve Webb

Clause 6, page 6, line 32, at end insert—
‘( ) In section 5 of the 2008 Act (automatic re-enrolment) omit subsection (5).’.

Rachel Reeves

Page 5, line 20, leave out Clause 6.

Clause, as amended, agreed to.

Clause 7 agreed to.

Steve Webb

Clause 8, page 7, line 22, leave out ‘5(1)(a)’ and insert ‘5(1)(c)’.

Rachel Reeves

Clause 8, page 7, line 24, at beginning insert ‘Subject to subsections (2A),’.

Rachel Reeves

Clause 8, page 7, line 24, at beginning insert ‘Subject to subsections (2B),’.

Rachel Reeves

Clause 8, page 7, line 27, at end insert—
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‘(2A) An order made under subsection (2) must not increase the amount in section 3(1)(c) by more than—
(a) the general level of earnings; or
(b) in percentage terms by more than the percentage increase in the lower earnings limit for national insurance purposes.’.

Rachel Reeves
Clause 8, page 7, line 27, at end insert—
‘(2B) An order made under subsection (2) must be accompanied by a full impact assessment, specifying—
(a) which factors have been taken into account, why they were considered relevant and the extent to which those factors have been taken into account;
(b) where factors listed in subsection (4) were not considered relevant, and why;
(c) the impact of the number of individuals benefiting from automatic enrolment.’.

Clause, as amended, agreed to.

Clause 9 agreed to.

Steve Webb
Clause 10, page 8, line 25, leave out subsection (2) and insert—
‘(2) For the heading substitute “Certification that quality requirement or alternative requirement is satisfied”.

Clause, as amended, agreed to.

Clauses 11 to 14 agreed to.

NEW CLAUSES RELATING TO PART 2

Test scheme standard for schemes that produce sum of money for provision of benefits

Steve Webb
To move the following Clause:—
‘(1) In section 22 of the 2008 Act (test scheme standard) after subsection (7) insert—
“(8) In the case of a scheme under which a sum of money is made available for the provision of benefits to a relevant member, references in this section to pensions are to be read as references to such sums.”

(2) For section 23 of the 2008 Act substitute—
“23 Test scheme

(1) A test scheme is an occupational pension scheme which satisfies—
   (a) the requirement in subsection (2),
   (b) the requirement in subsection (4) or requirements prescribed
       under subsection (6) (as appropriate), and
   (c) any further requirements that are prescribed.

(2) The scheme must either—
   (a) provide for a member to be entitled to a pension commencing at
       the appropriate age and continuing for life, or
   (b) provide for a sum of money to be made available for the
       provision of benefits to a member commencing at the
       appropriate age and continuing for life.

(3) The appropriate age is 65 or any higher age prescribed.

(4) In the case of a scheme that provides entitlement to a pension as
    mentioned in subsection (2)(a), the annual rate of the pension at the
    appropriate age must be—
    (a) 1/120th of average qualifying earnings in the last three tax years
        preceding the end of pensionable service,
        multiplied by
    (b) the number of years of pensionable service, up to a maximum of
        40.

(5) Section 13(1) (qualifying earnings) applies for the purposes of subsection
    (4) as if the reference to a pay reference period were a reference to a tax
    year.

(6) In the case of a scheme that provides for a sum of money to be made
    available as mentioned in subsection (2)(b), regulations must prescribe
    requirements relating to that sum.”

Certification for non-UK schemes

Steve Webb

To move the following Clause:—

‘(1) Section 28 of the 2008 Act is amended as follows.
(2) After subsection (3) insert—
   “(3A) This section also applies to—
       (a) a money purchase scheme that is an occupational pension
           scheme within section 18(b);
       (b) a personal pension scheme of a prescribed description for which
           provision is made under section 27;
       (c) a hybrid scheme that is an occupational pension scheme within
           section 18(b), to the extent prescribed.”

(3) In subsection (4) at the end insert—

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“(d) for a scheme within subsection (3A), means a prescribed requirement.”

(4) In paragraphs (e) and (f) of subsection (6) for “section 26 agreements” substitute “contribution agreements”.

(5) In subsection (8)—

(a) for “‘section 26 agreements’ means the agreement” substitute “‘contribution agreements’ means—

(a) the agreement’;

(b) at the end insert “, or

(b) any agreement of the same or a similar kind that is required, in the case of a scheme within subsection (3A)(b), by regulations under section 27.”.

Power to exempt certain cross-border employment from enrolment duty

Steve Webb

To move the following Clause:—

‘In Part 7 of the Pensions Act 2004 (cross-border activities within European Union) after section 292 insert—

“292A Exemption from enrolment duty under Part 1 of Pensions Act 2008

Regulations may provide for section 2(1), 3(2), 5(2), 7(3), 9(2) or 54 of the Pensions Act 2008 (employer’s obligations regarding membership of a qualifying scheme) not to apply in relation to a person’s employment of—

(a) an individual in relation to whom the person is a European employer, or

(b) someone whom the person reasonably believes to be such an individual.”’.

[Adjourned until Thursday 14 July at 9.00 am