



House of Commons  
**NOTICES OF AMENDMENTS**  
 given on  
**Thursday 11 September 2014**

**PUBLIC BILL COMMITTEE**

**PENSION SCHEMES BILL**

Steve Webb

1

Clause **41**, page **16**, line **15**, leave out “or repeal” and insert “, repeal or otherwise modify”

***Member’s explanatory statement***

*This amendment ensures that where regulations under clause 40 make consequential provision modifying primary legislation the regulations will be subject to the affirmative procedure.*

Steve Webb

2

Clause **43**, page **17**, line **5**, at end insert—  
 “( ) Section (*Extension to Scotland of certain provisions about same sex marriage*) extends to Scotland only.”

***Member’s explanatory statement***

*The effect of this amendment is that the new clause inserted by amendment NC1 extends to Scotland only.*

Steve Webb

3

Clause **44**, page **17**, line **9**, at end insert—  
 “( ) Sections (*Judicial pensions: pension sharing on divorce etc*) and (*Pension scheme for fee-paid judges*) and Schedule (*Amendments to do with section (Pension scheme for fee-paid judges)*) come into force on the day on which this Act is passed.”

***Member’s explanatory statement***

*This ensures that the amendments relating to judicial pensions come into force on the day on which the Bill receives Royal Assent.*

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**Pension Schemes Bill, *continued***

Steve Webb

4

Schedule 2, page 26, line 12, at end insert—

- “( ) Where this Chapter applies in relation to a benefit payable by virtue of a pension credit right, then—
- (a) if entitlement to the relevant pension credit arose before the 2014 Act commencement date, the benefit is to be treated for the purposes of sections 84(1) and 84B(1) as attributable to pensionable service before that date;
  - (b) if entitlement to the relevant pension credit arose on or after the 2014 Act commencement date, the benefit is to be treated for the purposes of sections 84(1) and 84B(1) as attributable to pensionable service on or after that date.”

***Member’s explanatory statement***

*For occupational schemes the new revaluation rules in Schedule 2 depend on when the member’s pensionable service took place. For benefits derived from pension sharing on divorce, this amendment will mean that the revaluation rules depend on when the pension was shared rather than when the pensionable service took place.*

Steve Webb

5

Schedule 3, page 32, line 29, at end insert—

***“Pension credits: transfer values***

- 10 Chapter 2 of Part 4A of the Pension Schemes Act 1993 (pension credit benefit: transfer values) is amended as follows.
- 11 In section 101F (power to give transfer notice), in subsection (4)(a), for “salary related occupational pension scheme” substitute “scheme to which section 101H applies”.
- 12 In section 101G (restrictions on power to give transfer notice), in subsection (1), for “salary related occupational pension scheme” substitute “scheme to which section 101H applies”.
- 13 (1) Section 101H (salary related schemes: statements of entitlement) is amended as follows.
- (2) For subsection (1) substitute—
- “(1) This section applies to a qualifying scheme that is—
- (a) a defined benefits scheme,
  - (b) a shared risk scheme, or
  - (c) a defined contributions scheme that is not a scheme under which all the benefits that may be provided are money purchase benefits,
- other than a scheme that falls within a prescribed class.
- (1A) The trustees or managers of a scheme to which this section applies must, on the application of any eligible member, provide the member with a written statement of the amount of the cash equivalent of the member’s pension credit benefit under the scheme.”
- (3) In subsections (2) and (3), for “(1)” substitute “(1A)”.
- (4) In subsection (4)—
- (a) for “to whom subsection (1)” substitute “of a scheme to which this section”;

**Pension Schemes Bill, continued**

- (b) for “that subsection” substitute “subsection (1A)”.
- (5) In the heading, for “Salary related schemes” substitute “Schemes with a promise or target”.
- 14 (1) Section 101J (time for compliance with transfer notice) is amended as follows.
- (2) In subsection (1), for paragraphs (a) and (b) substitute—
- “(a) in the case of a scheme to which section 101H applies, within 6 months of the valuation date, and
- (b) in the case of any other scheme, within 6 months of the date on which the notice is given.”
- (3) For subsection (7) substitute—
- “(7) In subsection (1)(a), “valuation date” means the date by reference to which the amount shown in the relevant statement under section 101H is determined.”
- 15 (1) Section 101P (interpretation) is amended as follows.
- (2) Omit subsection (2).
- (3) In subsection (3), for “salary related occupational pension scheme” substitute “scheme to which that section applies”.

**Member’s explanatory statement**

*Schedule 3 to the Bill makes changes to the general rules about transfers from one pension scheme to another (for reasons related to the new definitions in Part 1). This amendment makes similar changes for cases where benefits are derived from pension sharing on divorce.*

Steve Webb

NC1

To move the following Clause—

**“Extension to Scotland of certain provisions about same sex marriage**

Sections 17(11), 24D(5), 37(7) and 38A of the Pension Schemes Act 1993 (regulations about relevant gender change cases) extend to Scotland.”

**Member’s explanatory statement**

*This amendment extends certain provisions in the Pension Schemes Act 1993, that were inserted by the Marriage (Same Sex Couples) Act 2013, to Scotland to allow regulations made under section 38A of the Pension Schemes Act to extend to Scotland.*

Steve Webb

NC2

To move the following Clause—

**“Judicial pensions: pension sharing on divorce etc**

In paragraph 1(5) of Schedule 2A to the Judicial Pensions and Retirement Act 1993 (pension credits), for the words from “in respect of the office” to the end substitute “in respect of the rights from which the pension credit is derived”.

**Member’s explanatory statement**

*This corrects paragraph 1(5) of Schedule 2A to the Judicial Pensions and Retirement Act 1993, which is about funding of pensions shared on divorce etc. The amendment ensures that the Act works for cases where pension sharing is activated after a person has left judicial office.*

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**Pension Schemes Bill, *continued***

Steve Webb

NC3

To move the following Clause—

**“Pension scheme for fee-paid judges**

- (1) In the Judicial Pensions and Retirement Act 1993, after Part 1 insert—

## “PART 1A

## FEE-PAID JUDGES

**1 Pension scheme for fee-paid judges**

- (1) The appropriate Minister may by regulations establish a scheme for the payment of pensions and other benefits to or in respect of fee-paid judges.
- (2) The scheme may make provision for payments to or in respect of a person in relation to the person’s service before the scheme is established.
- (3) No benefits are to be provided under a new public service pension scheme in relation to service in relation to which benefits are to be provided under a scheme under this section.  
 “New public service pension scheme” means a scheme under—
- (a) section 1 of the Public Service Pensions Act 2013, or
  - (b) section 1 of the Public Service Pensions Act (Northern Ireland) 2014 (c. 2).
- (4) Regulations under this section may, in particular, include provision corresponding or similar to—
- (a) any provision made by Part 1, section 20 or Schedule 2 or 2A;
  - (b) any provision that may be made by regulations under Part 1, section 20 or Schedule 2 or 2A.
- (5) In this section—  
 “judge” means a person who holds an office specified in the regulations;  
 “fee-paid judge” means a judge whose service is remunerated by the payment of fees (as opposed to the payment of a salary).”

- (2) Schedule (
- Amendments to do with section (Pension scheme for fee-paid judges)*
- ) contains related amendments.”

***Member’s explanatory statement***

*This clause allows a pension scheme to be established for fee-paid judges, as required by case law. It is aimed at old and transitional cases. Pensions for fee-paid judges will in future be governed by a new scheme under the recent public service pensions legislation.*

Steve Webb

NC4

To move the following Clause—

**“Pension sharing and normal benefit age**

- (3) The Pension Schemes Act 1993 is amended as follows.
- (4) In section 101B (interpretation), for the definition of “normal benefit age” substitute—  
 ““normal benefit age”, in relation to a pension credit benefit for a member of a scheme, is the earliest age at which the member is entitled to receive the benefit without adjustment for taking it early or late (disregarding any

**Pension Schemes Bill, *continued***

special provision as to early payment on the grounds of ill-health or otherwise);

“normal pension age”, in relation to a benefit for a member of a scheme, means the earliest age at which the member is entitled to receive the benefit without adjustment for taking it early or late (disregarding any special provision as to early payment on the grounds of ill-health or otherwise);”.

- (5) In section 101C (basic principle as to pension credit benefit), for subsection (1) substitute—

“(1) The normal benefit age in relation to a pension credit benefit for a member of a scheme—

- (a) must not be lower than 60, and
- (b) must not be higher than the permitted maximum.

- (1A) The “permitted maximum” is 65 or, if higher, the highest normal pension age for any benefit that is payable under the scheme to or in respect of any of the members by virtue of rights which are not attributable (directly or indirectly) to a pension credit.””

***Member’s explanatory statement***

*This amendment allows schemes to increase beyond 65 the age at which a pension shared on divorce can first be put into payment but only if the scheme has a normal pension age above 65 for any benefits payable under the scheme.*

Steve Webb

NC5

To move the following Clause—

**“Duty to act in the best interests of members**

- (6) Regulations may impose a duty on the managers of a relevant non-trust based scheme to act in the best interests of members when taking decisions of a specified description.
- (7) In this section “relevant non-trust based scheme” means a non-trust based scheme that is—
  - (a) a shared risk scheme, or
  - (b) a defined contributions scheme under which any of the benefits that may be provided are collective benefits.
- (8) Regulations under this section—
  - (a) may provide for the duty to act in the best interests of members to override obligations that are inconsistent with that duty (including obligations imposed by any instrument, enactment or rule of law), but
  - (b) do not otherwise affect any duty that might arise apart from this section.
- (9) Regulations under this section may provide for the consequences of a manager breaching (or threatening to breach) the duty to act in the best interests of members to be the same as the consequences of breaching (or threatening to breach) a fiduciary duty owed by the manager to the members and, accordingly, for the duty to be enforceable in the same way as a fiduciary duty.
- (10) In this section—
  - “collective benefit” has the meaning given by section 19;
  - “defined contributions scheme” has the meaning given by section 4;
  - “non-trust based scheme” means a scheme that is not established under a trust;
  - “shared risk scheme” has the meaning given by section 3.”

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**Pension Schemes Bill, *continued***
***Member's explanatory statement***

*This amendment inserts a new power to make regulations which may impose a duty on managers of non-trust based schemes to act in members' best interests when taking certain specified decisions. This duty may apply in relation to shared-risk schemes and schemes providing collective benefits.*

Steve Webb

NS1

To move the following Schedule—

“AMENDMENTS TO DO WITH SECTION (*PENSION SCHEME FOR FEE-PAID JUDGES*)

*Pensions (Increase) Act 1971 (c. 56)*

- 16 The Pensions (Increase) Act 1971 is amended as follows.
- 17 In section 19(2)(a) (extent to Northern Ireland)—
- (a) after “or section” insert “18A or”, and
  - (b) after “section 10 of that Act” insert “or provision made under section 18A of that Act that is corresponding or similar to the provision that may be made by regulations under section 10 of that Act”.
- 18 In Schedule 2 (official pensions), after paragraph 4A insert—
- “4AA A pension payable under a scheme made under section 18A of the Judicial Pensions and Retirement Act 1993, other than a pension payable under or by virtue of provision that is corresponding or similar to the provision that may be made by regulations under section 10 of that Act.”

*Judicial Pensions and Retirement Act 1993 (c. 8)*

- 19 The Judicial Pensions and Retirement Act 1993 is amended as follows.
- 20 In section 22 (application of the Pensions (Increase) Act 1971 to Northern Ireland), in subsection (2)—
- (a) after “shall include” insert “—
  - (a) ”;
  - (b) at the end insert “; and
  - (b) pensions payable under a scheme made under section 18A above, other than pensions payable under or by virtue of provision that is corresponding or similar to the provision that may be made by regulations under section 10 above.”
- 21 (1) Section 28 (funding arrangements) is amended as follows.,
- (2) In subsection (2) (benefits payable out of money provided by Parliament), after paragraph (a) (but before the “and” at the end) insert—
- “(aa) any pension or other benefits payable under a scheme made under section 18A above;”.
- (3) In subsection (7), for “section 10 above” substitute “—
- (a) section 10 above, or

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**Pension Schemes Bill, *continued***

(b) provision made under section 18A above that is corresponding or similar to the provision that may be made by regulations under section 10 above.”

22 In section 28A (contributions in respect of Northern Ireland judges), at the end insert “or as a fee-paid judge in Northern Ireland (within the meaning given by section 18A)”.

***Member’s explanatory statement***

*These amendments in this new Schedule relate to the pension scheme for fee-paid judges - see amendment NC3. Among other things, they deal with inflation increases.*

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