



House of Commons

NOTICES OF AMENDMENTS

given up to and including

Friday 17 October 2014

New Amendments handed in are marked thus ★

☆ *Amendments which will comply with the required notice period at their next appearance*

PUBLIC BILL COMMITTEE

PENSION SCHEMES BILL

NOTE

The Amendments have been arranged in accordance with the Resolution of the Programming Sub-Committee.

RESOLUTION OF THE PROGRAMMING SUB-COMMITTEE

The Programming Sub-Committee appointed by the Speaker in respect of the Bill agreed the following Resolution at its meeting on Tuesday 14 October (Standing Order No. 83C):

That—

- (1) the Committee shall (in addition to its first meeting at 8.55 a.m. on Tuesday 21 October) meet—
 - (a) at 2.00 pm on Tuesday 21 October;
 - (b) at 11.30 am and 2.00 pm on Thursday 23 October;
 - (c) at 9.25 am and 2.00 pm on Tuesday 28 October;
 - (d) at 11.30 am and 2.00 pm on Thursday 30 October;
 - (e) at 9.25 am and 2.00 pm on Tuesday 4 November;
 - (f) at 11.30 am and 2.00 pm on Thursday 6 November;
- (2) the Committee shall hear oral evidence in accordance with the following Table:

Pension Schemes Bill, *continued*

TABLE

<i>Date</i>	<i>Time</i>	<i>Witness</i>
Tuesday 21 October	Until no later than 9.30 am	The Pensions Regulator
Tuesday 21 October	Until no later than 10.15 am	Pension Protection Fund; Financial Conduct Authority
Tuesday 21 October	Until no later than 11.00 am	Pensions Advisory Service; Money Advice Service
Tuesday 21 October	Until no later than 3.00 pm	Royal Society of Arts; Cardano; First Actuarial; KPMG
Tuesday 21 October	Until no later than 4.00 pm	Aon Hewitt; Financial Services Consumer Panel; Confederation of British Industry
Thursday 23 October	Until no later than 12.15 pm	Mr Dominic Lindley; Which?; Trades Union Congress
Thursday 23 October	Until no later than 1.00 pm	Pensions Policy Institute; Dr Ros Altmann; Age UK
Thursday 23 October	Until no later than 3.00 pm	Association of British Insurers; Dr Debbie Harrison; National Association of Pension Funds
Thursday 23 October	Until no later than 4.00 pm	Mr John Greenwood; Strategic Society Centre; Towers Watson
Thursday 23 October	Until no later than 4.45 pm	Department for Work and Pensions

- (3) proceedings on consideration of the Bill in Committee shall be taken in the following order: Clauses 1 to 8; Schedule 1; Clauses 9 to 12; Schedule 2; Clause 13; Schedule 3, Clauses 14 to 37, Schedule 4; Clauses 38 to 45; new Clauses; new Schedules; remaining proceedings on the Bill;
- (4) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 p.m. on Thursday 6 November.

Steve Webb has given notice of his intention to move a motion in the terms of the Resolution of the Programming Sub-Committee (Standing Order No. 83C).

Pension Schemes Bill, *continued*

Steve Webb

To move, That, at this and any subsequent meeting at which oral evidence is to be heard, the Committee shall sit in private until the witnesses are admitted.

Steve Webb

To move, That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.

Steve Webb

Clause 8, page 4, line 23, leave out “that use expressions defined by this Part” and insert “to do with Parts 1 and 3”.

Member’s explanatory statement

The amendment changes the words used to describe Schedule 1 to the Bill. This is necessary given other material that is being inserted into Schedule 1.

Steve Webb

That clause 8 be transferred to the end of line 6 on page 15

Member’s explanatory statement

The Bill needs restructuring in light of the proposed Government amendments. There are a number of motions to transfer provisions around. Collectively they are designed to move Part 2 of the Bill to after Part 3 and to move clause 8 and Schedule 1 to the end of what is currently Part 2.

Steve Webb

Schedule 1, page 19, line 2, at end insert “, or

(c) a shared risk scheme under which all the benefits that may be provided are money purchase benefits or collective benefits.”

Member’s explanatory statement

This text is taken from paragraph 4 of Schedule 4 to the Bill, which is left out by amendment 40. The effect is unchanged.

Steve Webb

Schedule 1, page 19, line 4, at end insert—

“““collective benefit” has the meaning given by section 19 of the Pension Schemes Act 2014;”””

Member’s explanatory statement

This amendment inserts the definition of a collective benefit for the purposes of the Pension Schemes Act 1993.

6

29

30

Pension Schemes Bill, *continued*

Steve Webb

31

Schedule 1, page 19, line 24, leave out paragraphs 13 and 14 and insert—
 “13 In section 73 (preferential liabilities on winding up), for subsection (2) substitute—

“(2) This section applies to a pension scheme that is—
 (a) an occupational defined benefits scheme,
 (b) an occupational shared risk scheme, or
 (c) an occupational defined contributions scheme,
 unless subsection (2A) provides for the scheme to be exempt.

(2A) A scheme is exempt from this section if it is—
 (a) a scheme under which all the benefits that may be provided are money purchase benefits, or
 (b) a prescribed scheme or a scheme of a prescribed description.”

14 In section 75 (employer debt where deficiency in assets on winding up etc), for subsection (1) substitute—

“(1) This section applies in relation to a pension scheme that is—
 (a) an occupational defined benefits scheme,
 (b) an occupational shared risk scheme, or
 (c) an occupational defined contributions scheme,
 unless subsection (1A) provides for the scheme to be exempt.

(1A) A scheme is exempt from this section if it is—
 (a) a scheme under which all the benefits that may be provided are money purchase benefits,
 (b) a scheme under which all the benefits that may be provided are collective benefits,
 (c) a scheme under which all the benefits that may be provided are money purchase benefits or collective benefits, or
 (d) a prescribed scheme or a scheme of a prescribed description.

(1B) Where—
 (a) some of the benefits that may be provided under a scheme are collective benefits and some are not, and
 (b) the scheme does not fall within paragraph (c) or (d) of subsection (1A),
 the scheme is to be treated for the purposes of this Part as two separate schemes, one relating to the collective benefits and the other relating to the other benefits.”

14A (1) Section 87 (schedules of payments to money purchase schemes) is amended as follows.

(2) For subsection (1) substitute—

“(1) This section applies to an occupational pension scheme that is a scheme under which —
 (a) all the benefits that may be provided are money purchase benefits, or
 (b) all the benefits that may be provided are money purchase benefits or collective benefits,
 other than a scheme falling within a prescribed class or description.”

Pension Schemes Bill, *continued*

(3) In subsection (2)(a), after “members of the scheme” insert “in respect of money purchase benefits”.

(4) In the heading, for “to money purchase schemes” substitute “in respect of money purchase benefits under certain schemes”.

14B For the italic cross-heading above section 87 substitute “Schemes providing money purchase benefits”.

14C In the heading to section 88 (schedules of payments to money purchase schemes: supplementary), for “to money purchase schemes” substitute “in respect of money purchase benefits under certain schemes”.

Member’s explanatory statement

The text in new paragraphs 14A to 14C is taken from paragraphs 8 to 10 of Schedule 4 to the Bill, which is left out by amendment 40.

Steve Webb

32

Schedule 1, page 19, line 40, at end insert—

“““collective benefit” has the meaning given by section 19 of the Pension Schemes Act 2014;””

Member’s explanatory statement

This text is taken from paragraph 13 of Schedule 4 to the Bill, which is left out by amendment 40. The effect is unchanged.

Steve Webb

33

Schedule 1, page 19, line 44, at end insert—

“““occupational”, in relation to a defined benefits scheme, shared risk scheme or defined contributions scheme, means an occupational pension scheme of that description;””

Member’s explanatory statement

This amends the Pensions Act 1995 to include definitions of terms used in amendment 31.

Steve Webb

34

Schedule 1, page 20, line 35, at end insert—

“22A In section 17 (power of the Regulator to recover unpaid contributions), in subsection (3)—

(a) in paragraph (b) of the definition of “due date”, for “to money purchase schemes” substitute “in respect of money purchase benefits under certain schemes”;

(b) in paragraph (a) of the definition of “employer contribution”, for “to money purchase schemes” substitute “in respect of money purchase benefits under certain schemes”.”

Member’s explanatory statement

This text is taken from paragraph 11 of Schedule 4 to the Bill, which is left out by amendment 40. The effect is unchanged.

Steve Webb

35

Schedule 1, page 21, line 16, leave out paragraphs 24 to 28 and insert—

“24 In section 38 (contribution notices where avoidance of employer debt), for subsection (1) substitute—

“(1) This section applies in relation to a pension scheme that is—
(a) an occupational defined benefits scheme,

Pension Schemes Bill, *continued*

- (b) an occupational shared risk scheme, or
(c) an occupational defined contributions scheme,
unless subsection (1A) provides for the scheme to be exempt.
- (1A) A scheme is exempt from this section if it is—
- (a) a scheme under which all the benefits that may be provided are money purchase benefits,
(b) a scheme under which all the benefits that may be provided are collective benefits,
(c) a scheme under which all the benefits that may be provided are money purchase benefits or collective benefits, or
(d) a prescribed scheme or a scheme of a prescribed description.
- (1B) Where—
- (a) some of the benefits that may be provided under a scheme are collective benefits and some are not, and
(b) the scheme does not fall within paragraph (c) or (d) of subsection (1A),
the scheme is to be treated for the purposes of this section and sections 38A to 42 as two separate schemes, one relating to the collective benefits and the other relating to the other benefits.”
- 25 (1) Section 43 (financial support directions) is amended as follows.
(2) For subsection (1) substitute—
- “(1) This section applies in relation to a pension scheme that is—
- (a) an occupational defined benefits scheme,
(b) an occupational shared risk scheme, or
(c) an occupational defined contributions scheme,
unless subsection (1A) provides for the scheme to be exempt.
- (1A) A scheme is exempt from this section if it is—
- (a) a scheme under which all the benefits that may be provided are money purchase benefits,
(b) a scheme under which all the benefits that may be provided are collective benefits,
(c) a scheme under which all the benefits that may be provided are money purchase benefits or collective benefits, or
(d) a prescribed scheme or a scheme of a prescribed description.
- (1B) Where—
- (a) some of the benefits that may be provided under a scheme are collective benefits and some are not, and
(b) the scheme does not fall within paragraph (c) or (d) of subsection (1A),
the scheme is to be treated for the purposes of this section and sections 43A to 51 as two separate schemes, one relating to the collective benefits and the other relating to the other benefits.”
- (3) In subsection (2), for “such a scheme” substitute “a scheme to which this section applies”.
- 26 In section 52 (restoration orders where transactions at an undervalue), for subsection (1) substitute—
- “(1) This section applies in relation to a pension scheme that is—
- (a) an occupational defined benefits scheme,

Pension Schemes Bill, *continued*

(b) an occupational shared risk scheme, or
 (c) an occupational defined contributions scheme,
 unless subsection (1A) provides for the scheme to be exempt.

- (1A) A scheme is exempt from this section if it is—
- (a) a scheme under which all the benefits that may be provided are money purchase benefits,
 - (b) a scheme under which all the benefits that may be provided are collective benefits,
 - (c) a scheme under which all the benefits that may be provided are money purchase benefits or collective benefits, or
 - (d) a prescribed scheme or a scheme of a prescribed description.

- (1B) Where—
- (a) some of the benefits that may be provided under a scheme are collective benefits and some are not, and
 - (b) the scheme does not fall within paragraph (c) or (d) of subsection (1A),
- the scheme is to be treated for the purposes of this section and sections 53 to 56 as two separate schemes, one relating to the collective benefits and the other relating to the other benefits.”

27 In section 90 (codes of practice), in subsection (2)(i), for “money purchase schemes” substitute “certain schemes”.

28 In section 126 (schemes eligible for pension protection), for subsection (1) substitute—

- “(1) Subject to the following provisions of this section, in this Part references to an “eligible scheme” are to a pension scheme that is—
- (a) an occupational defined benefits scheme,
 - (b) an occupational shared risk scheme, or
 - (c) an occupational defined contributions scheme.

- (1A) A scheme is not an eligible scheme if it is—
- (a) a scheme under which all the benefits that may be provided are money purchase benefits,
 - (b) a scheme under which all the benefits that may be provided are collective benefits,
 - (c) a scheme under which all the benefits that may be provided are money purchase benefits or collective benefits, or
 - (d) a prescribed scheme or a scheme of a prescribed description.

- (1B) Where—
- (a) some of the benefits that may be provided under a scheme are collective benefits and some are not, and
 - (b) the scheme does not fall within paragraph (c) or (d) of subsection (1A),
- the scheme is to be treated for the purposes of this Part as two separate schemes, one relating to the collective benefits and the other relating to the other benefits.”

28A For section 221 (application of scheme funding rules) substitute—

“221 Pension schemes to which this Part applies

- (1) The provisions of this Part apply to a pension scheme that is—

Pension Schemes Bill, *continued*

- (a) an occupational defined benefits scheme,
 - (b) an occupational shared risk scheme, or
 - (c) an occupational defined contributions scheme,
- unless subsection (2) provides for the scheme to be exempt.
- (2) A scheme is exempt from this Part if it is—
- (a) a scheme under which all the benefits that may be provided are money purchase benefits,
 - (b) a scheme under which all the benefits that may be provided are collective benefits,
 - (c) a scheme under which all the benefits that may be provided are money purchase benefits or collective benefits, or
 - (d) a prescribed scheme or a scheme of a prescribed description.
- (3) Where—
- (a) some of the benefits that may be provided under a scheme are collective benefits and some are not, and
 - (b) the scheme does not fall within paragraph (c) or (d) of subsection (2),
- the scheme is to be treated for the purposes of this Part as two separate schemes, one relating to the collective benefits and the other relating to the other benefits.
- (4) Regulations under subsection (2)(d) may provide for exemptions from all or any of the provisions of this Part, but for the purposes of subsection (3)(b) a scheme falls within subsection (2)(d) only if it is exempt from all of the provisions of this Part.”

Member’s explanatory statement

The text is partly taken from paragraphs 6 and 7 of Schedule 4. It also amends the Pensions Act 2004 to set out how certain powers of the Pensions Regulator apply in respect of collective benefits and makes it clear how the new scheme categories apply in relation to scheme funding and PPF eligibility.

Steve Webb

36

Schedule 1, page 22, line 9, leave out “in subsection (1)” and insert “subsection (1) is amended as follows.

() At the appropriate places insert—

““collective benefit” has the meaning given by section 19 of the Pension Schemes Act 2014;”

““defined benefits scheme” has the meaning given by section 2 of the Pension Schemes Act 2014;”

““defined contributions scheme” has the meaning given by section 4 of the Pension Schemes Act 2014;”

““occupational”, in relation to a defined benefits scheme, shared risk scheme or defined contributions scheme, means an occupational pension scheme of that description;”

““shared risk scheme” has the meaning given by section 3 of the Pension Schemes Act 2014;”.

Member’s explanatory statement

This amends the Pensions Act 2004 to include definitions of terms used in amendment 35.

Pension Schemes Bill, continued

Steve Webb

That Schedule 1 be transferred to the end of line 29 on page 32

Member's explanatory statement

The Bill needs restructuring in light of the proposed Government amendments. There are a number of motions to transfer provisions around. Collectively they are designed to move Part 2 of the Bill to after Part 3 and to move clause 8 and Schedule 1 to the end of what is currently Part 2.

Steve Webb

7

Clause 9, page 4, line 36, leave out paragraph (b)

Member's explanatory statement

This amendment removes the power to confer functions on a specified person in connection with the enforcement of regulations made under clause 9. This is because there are existing powers that are considered sufficient and appropriate to deal with enforcement in relation to any breaches of those regulations.

Steve Webb

8

Clause 9, page 4, line 43, at end insert—

““trustees or managers” means—

- (a) in relation to a scheme established under a trust, the trustees, and
- (b) in relation to any other scheme, the managers.”

Member's explanatory statement

This amendment inserts a definition of “trustees or managers” to clarify that regulations made under clause 9 may impose obligations on trustees in the context of a trust-based scheme, and on managers in the context of a scheme not established under trust.

Steve Webb

9

Clause 11, page 5, line 42, leave out “non-salary related benefit,.” and insert “benefit falling within subsection (1A),”;

(b) after subsection (1) insert—

“(1A) The following fall within this subsection—

- (a) collective benefits;
- (b) benefits calculated otherwise than by reference to the member's salary.”

Member's explanatory statement

This amendment makes it clear that collective benefits are subject to the 30 day preservation rule for the purposes of obtaining short service benefit.

Steve Webb

10

Clause 11, page 6, line 15, leave out paragraph (c)

Member's explanatory statement

This is consequential on amendment 9.

Pension Schemes Bill, *continued*

Steve Webb

11

Clause 11, page 6, line 47, at end insert—

“() In section 74 (computation of short service benefit), in subsections (3) and (4), after “so much of any benefit” insert “, other than collective benefit.””

Member’s explanatory statement

As a general rule schemes are required to provide for short service benefits to be computed on the same basis as long service benefit. In cases where this doesn’t apply benefits are subject to a uniform accrual rule. This amendment ensures collective benefits will not be subject to the uniform accrual requirements

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

37

Schedule 2, page 26, line 40, at end insert—

“() A benefit of the kind mentioned in section 83(1)(a) that is a collective benefit must be revalued using the default method.”

Member’s explanatory statement

This amendment means that the default method is to be used when revaluing a collective benefit.

Steve Webb

38

Schedule 2, page 26, line 41, after “section 83(1)(a)” insert “that is not a collective benefit”

Member’s explanatory statement

This amendment means that a collective benefit can only be revalued by the default method. It is consequential on amendment 37.

Pension Schemes Bill, *continued*

Steve Webb

39

Schedule 2, page 26, line 42, after “with” insert “the following provisions of”
Member’s explanatory statement

This is consequential on amendment 37. It does not alter the meaning.

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”;
- (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.”

Pension Schemes Bill, *continued*

(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

12

Clause 18, page 8, line 35, at end insert—

“() In section 67 (the subsisting rights provisions)—

(a) in subsection (3), omit paragraph (b) and the “or” before it;

(b) after subsection (3) insert—

“(3A) Regulations may provide for cases in which the subsisting rights provisions do not apply.””

Member’s explanatory statement

This amendment relates to the subsisting rights provisions. The amendment replaces the existing regulation making power with a broader power to provide for cases in which the subsisting rights provisions do not apply, so for example, in relation to collective benefits.

Steve Webb

13

Clause 18, page 9, line 3, at end insert—

“(ab) on taking effect would or might result in any subsisting right of a member of the scheme which is a right to retirement income in respect of which there is a pensions promise becoming, or being replaced with, a right to benefits other than retirement income,

(ac) on taking effect would or might result in any subsisting right of—

(i) a member of the scheme, or

(ii) a survivor of a member of the scheme,

being replaced with a right or entitlement to collective benefits under the scheme rules.””

Member’s explanatory statement

The amendment relates to the subsisting rights provisions so that any proposal to modify a scheme which would or might replace a right to income with a right to a non-income benefit would be a protected modification. The text in (ab) is taken from paragraph 3(2) of Schedule 4 to the Bill, which is left out by amendment 40.

Pension Schemes Bill, continued

- Steve Webb 14
- Clause 18, page 9, line 3, at end insert—
“() In subsection (3)(b) of that section, after “rules” insert “, other than a pension that is a collective benefit”.”
Member’s explanatory statement
This text is taken from paragraph 3(3) of Schedule 4 to the Bill, which is left out by amendment 40. The effect is unchanged.
- Steve Webb 15
- Clause 18, page 9, line 4, after “(aa)” insert “, (ab), (ac)”
Member’s explanatory statement
This is consequential on amendment 13.
- Steve Webb 16
- Clause 18, page 9, line 5, leave out “place” and insert “places”
Member’s explanatory statement
This paves the way for amendment 17.
- Steve Webb 17
- Clause 18, page 9, line 8, at end insert—
“““retirement income” has the meaning given by section 7 of the Pension Schemes Act 2014;”.”
Member’s explanatory statement
This defines “retirement income”, which is used in amendment 13.
- Steve Webb
- That clauses 9 to 18 be transferred to the end of line 6 on page 15
Member’s explanatory statement
The Bill needs restructuring in light of the proposed Government amendments. There are a number of motions to transfer provisions around. Collectively they are designed to move Part 2 of the Bill to after Part 3 and to move clause 8 and Schedule 1 to the end of what is currently Part 2.
-
- Steve Webb 18
- Clause 32, page 14, line 4, leave out “the scheme” and insert “an”
Member’s explanatory statement
The purpose of this amendment and amendments 20, 21, 22, 23 and 24 is to replace references in clause 32 to “the scheme actuary” with references to “an actuary”. This follows the approach taken in clauses 20 and 26. Amendment 19 is also related as it is about the actuary’s qualifications.

Pension Schemes Bill, *continued*

- Steve Webb 19
- Clause 32, page 14, line 5, at end insert—
 “() The regulations may, in particular, require the trustees or managers to obtain the advice from an actuary who has specified qualifications or meets other specified requirements.”
Member’s explanatory statement
This amendment gives a power to require trustees or managers to obtain advice from an actuary who has certain qualifications or who meets other requirements before making certain decisions or taking certain steps.
- Steve Webb 20
- Clause 32, page 14, line 7, leave out “the scheme” and insert “an”
Member’s explanatory statement
See explanatory statement to amendment 18.
- Steve Webb 21
- Clause 32, page 14, line 8, leave out “those matters” and insert “matters in accordance with the regulations”
Member’s explanatory statement
See explanatory statement to amendment 18.
- Steve Webb 22
- Clause 32, page 14, line 9, leave out “the scheme” and insert “an”
Member’s explanatory statement
See explanatory statement to amendment 18.
- Steve Webb 23
- Clause 32, page 14, line 10, leave out “those matters” and insert “matters in accordance with the regulations”
Member’s explanatory statement
See explanatory statement to amendment 18.
- Steve Webb 24
- Clause 32, page 14, line 11, leave out subsection (3)
Member’s explanatory statement
See explanatory statement to amendment 18.
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- Steve Webb 25
- Clause 35, page 14, line 21, leave out paragraph (a)
Member’s explanatory statement
This amendment removes the power to confer functions on a specified person in connection with the enforcement of regulations made under Part 3. This is because there are existing powers that

Pension Schemes Bill, continued

are considered sufficient and appropriate to deal with enforcement in relation to any breaches of those regulations.

Steve Webb

26

Clause 36, page 14, line 38, at end insert—

““trustees or managers” means—

(c) in relation to a scheme established under a trust, the trustees, and

(d) in relation to any other scheme, the managers;”

Member’s explanatory statement

This amendment inserts a definition of “trustees or managers” to clarify that regulations made under Part 3 may impose obligations on trustees in the context of a trust-based scheme, and on managers in the context of a scheme not established under trust.

Steve Webb

27

Page 15, line 5, leave out Clause 37

Member’s explanatory statement

This amendment leaves out clause 37. Clause 37 introduces Schedule 4 but is no longer needed because Schedule 4 is itself being left out - see amendment 40. Many of the amendments made by Schedule 4 are added back in to Schedule 1 or other places in the Bill.

Steve Webb

40

Page 32, line 30, leave out Schedule 4

Member’s explanatory statement

Many of the amendments made by Schedule 4 are added back in to other places in the 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.

Pension Schemes Bill, *continued*

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.

Steve Webb

28

Clause 44, page 17, line 9, at end insert—

“() Section (*Pension sharing and normal benefit age*) comes into force on 1 April 2015.”

Member’s explanatory statement

This ensures that the new clause relating to pension sharing and normal benefit age (NC4) comes into force on 1 April 2015.

NEW CLAUSES

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.

Pension Schemes Bill, *continued*

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.

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

18A 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).”

Pension Schemes Bill, continued

- (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

- (1) The Pension Schemes Act 1993 is amended as follows.
- (2) 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 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);”.
- (3) 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.

Pension Schemes Bill, *continued*

Steve Webb

NC5

To move the following Clause—

“Duty to act in the best interests of members

- (1) 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.
- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.”

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

NC6

To move the following Clause—

“Collective benefits exempt from indexation

- (6) In section 51 of the Pensions Act 1995 (annual increase in rate of pension)—
 - (a) in subsection (1), for “Subject to subsections (6) and (7)” substitute “Subject to subsections (6) to (7A)”;
 - (b) after subsection (7) insert—

Pension Schemes Bill, *continued*

“(7A) This section does not apply to any pension, or part of a pension, that is a collective benefit.”

(7) Omit section 21(2) of the Pensions Act 2011, which is no longer needed given subsection (1).”

Member’s explanatory statement

This text is taken from paragraphs 1 and 2 of Schedule 4 to the Bill, which is left out by amendment 40. The effect is unchanged.

NEW SCHEDULE

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)

- 1 The Pensions (Increase) Act 1971 is amended as follows.
- 2 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”.
- 3 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)

- 4 The Judicial Pensions and Retirement Act 1993 is amended as follows.
- 5 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.”
- 6 (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;”.

Pension Schemes Bill, *continued*

- (3) In subsection (7), for “section 10 above” substitute “—
- (a) section 10 above, or
 - (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.”

- 7 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.

ORDER OF THE HOUSE [2 SEPTEMBER 2014]

That the following provisions shall apply to the the Pension Schemes Bill:—

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 6 November 2014.
3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.
5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption of that day.
6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

Other Proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or any further message from the Lords) may be programmed.
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