



SUPPLEMENT TO THE VOTES AND PROCEEDINGS

Monday 16 November 2020

REPORT STAGE PROCEEDINGS

PENSION SCHEMES BILL [*LORDS*], AS AMENDED

GLOSSARY

This document shows the fate of each clause, schedule, amendment and new clause.

The following terms are used:

Added: New Clause agreed without a vote and added to the Bill.

Agreed to: agreed without a vote.

Agreed to on division: agreed following a vote.

Negatived: rejected without a vote.

Negatived on division: rejected following a vote.

Not called: debated in a group of amendments, but not put to a decision.

Not moved: not debated or put to a decision.

Question proposed: debate underway but not concluded.

Withdrawn after debate: moved and debated but then withdrawn, so not put to a decision.

Not selected: not chosen for debate by the Speaker.

Stephen Timms
Nigel Mills
Richard Thomson
Neil Gray
Ms Angela Eagle

Negatived on division **NC1**

To move the following Clause—

“Pensions Guidance

The Secretary of State must write to members or survivors of pension schemes five years prior to the age of becoming eligible to access their benefits, to state a scheduled date and time for a pensions guidance appointment, or the option to reschedule or defer this appointment; and write annually until a pensions

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guidance appointment has been taken, or the member's desire to opt out has been confirmed."

Neil Gray
Richard Thomson

Not called NC2

To move the following Clause—

“Pensions Advisory Commission

- (1) The Pensions Regulator shall establish a committee to be known as the Pensions Advisory Commission.
 - (2) The Commission shall consist of—
 - (a) members of the Regulator as provided under section 2(1) of the Pensions Act 2004, and
 - (b) five other persons appointed by Her Majesty on the recommendation of the Secretary of State.
 - (3) A person appointed under subsection (2)(b) shall exercise only functions in pursuance of the duties in subsections (5) and (6).
 - (4) The Commission shall be chaired by a person appointed under subsection (2)(b).
 - (5) It shall be the duty of the Pensions Advisory Commission to submit to the Secretary of State each calendar year, beginning with the year 2022, a report setting out the Commission's views on—
 - (a) the impact of provisions in Parts 1, 2 and 4 of this Act on—
 - (i) persons in different parts and regions of the United Kingdom,
 - (ii) equal treatment of men and women in access to pension provision, and
 - (iii) persons with a protected characteristic under section 4 of the Equality Act 2010; and
 - (b) the effectiveness of the powers in Parts 1 to 3 of this Act in enabling the Pensions Regulator to achieve its objectives under section 5 of the Pensions Act 2004.
 - (6) It shall also be the duty of the Commission to report to the Secretary of State by 31 October 2021 its views on when commercial operators should be able to enter the market for provision of a pensions dashboard service.
 - (7) The Secretary of State must lay before Parliament a copy of every report received from the Commission under this section.”
-

Neil Gray
Richard Thomson

Not called NC3

To move the following Clause—

“Pension accounts

- (1) A jobholder to whom section 3 of the Pensions Act 2008 applies may by notice require an employer to arrange for the jobholder to receive into a pension account

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- any contribution which would otherwise be made by the employer into an automatic enrolment scheme.
- (2) A contribution by a jobholder or by their employer into the jobholder's pension account shall be invested in a pension scheme offered by an approved pension provider.
 - (3) The Secretary of State may by regulations make provision—
 - (a) about the form and content of a notice given under subsection (1), or
 - (b) about the arrangements that the employer is required to make.
 - (4) The Secretary of State may make regulations to set criteria by which a pension provider may be approved for the purposes of subsection (2).
 - (5) Regulations under this section shall be made by statutory instrument and may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.”
-

Neil Gray
 Richard Thomson
 Alan Brown
 Pete Wishart
 Wendy Chamberlain

Negated on division NC4

To move the following Clause—

“Employer debt: trustees’ discretion

- (1) The following changes are made to the Occupational Pension Schemes (Employer Debt) Regulations 2005 (SI 2005/678).
- (2) In regulation 2, in the definition of “scheme apportionment arrangement”—
 - (a) in sub-paragraph (f)(ii), after “apply”, insert “but not if the circumstances in paragraph (h) apply”;
 - (b) at end insert—
 - “(h) the consent of the remaining employer or employers shall not be required under (f)(ii) above where all of the following conditions apply—
 - (i) the departing employer's debt was treated as becoming due prior to the coming into force of this provision; and
 - (ii) the departing employer's debt was less than 0.5% of the scheme's overall liabilities, as estimated by the trustees or managers on advice of the scheme actuary, as if the whole scheme had been winding-up at the time the debt was treated as becoming due; and
 - (iii) the employer in question was operating as an unincorporated business during his participation in the scheme; and
 - (iv) the trustees or managers consider that, in the context of the scheme overall, taking into account factors such as the scheme's assets, liabilities and the trustees' or managers' most recent assessment of the overall employer

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covenant, there would be no material benefit to the scheme and its members in seeking recovery of the employer's liability share from the departing employer."

(3) In regulation 9, after paragraph (14B), insert the following new paragraph—

“(14C) Condition L is that a debt was treated as becoming due from him under section 75 of the 1995 Act but is excluded under this Condition because—

- (a) the employer's debt was treated as becoming due prior to this Condition coming into force; and
- (b) the employer's debt was less than 0.5% of the scheme's overall liabilities, as estimated by the trustees or managers on advice of the scheme actuary, as if the whole scheme had been winding-up at the time the debt was treated as becoming due; and
- (c) the employer in question was operating as an unincorporated business during his participation in the scheme; and
- (d) at or before the applicable time, the trustees or managers have made a determination not to pursue the debt on the grounds that, in the context of the scheme overall, taking into account factors such as the scheme's assets, liabilities and the trustees' or managers' most recent assessment of the overall employer covenant, seeking recovery represented a disproportionate cost to the scheme and would be of no material benefit to the scheme overall.”

Neil Gray
Richard Thomson
Alan Brown
Pete Wishart
Wendy Chamberlain

Not called **NC5**

To move the following Clause—

“Employer debt: deferred debt arrangement

- (1) The following changes are made to the Occupational Pension Schemes (Employer Debt) Regulations 2005 (SI 2005/678).
- (2) In regulation 6F—
 - (a) in paragraph (1), leave out “A” and insert “Subject to the provisions of paragraph (8) below, a”;
 - (b) at end insert—

“(8) In relation to a frozen scheme, the trustees or managers of the scheme may agree to a deferred debt arrangement where the employment-cessation event occurred at a time prior to the scheme becoming a frozen scheme, providing the conditions of

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paragraph (3) are met at the time the deferred debt arrangement is entered into.””

Keir Starmer
Jonathan Reynolds
Jack Dromey
Mr Nicholas Brown

Not called NC6

To move the following Clause—

“Regulation of pension superfunds

- (1) The Secretary of State shall publish a statement on proposals for primary legislation in relation to a duty on the Pensions Regulator to regulate pension superfunds.
- (2) For the purposes of this section, a pension superfund is a defined benefit pension scheme that allows for the severance of an employer’s liability towards a defined benefit scheme and one of the following conditions applies—
 - (a) the scheme employer is replaced by a special purpose vehicle (SPV) employer, or
 - (b) the liability of the employer to fund the scheme’s liabilities is replaced by an employer backed with a capital injection to a capital buffer.
- (3) The statement under subsection (1) shall be laid before Parliament before the end of a period of six months from the day on which this Act receives Royal Assent.”

Keir Starmer
Jonathan Reynolds
Jack Dromey
Mr Nicholas Brown

Not called 15

Clause 118, page 104, line 19, at end insert—

- “(3) Requirements prescribed under subsection (2) must include a requirement that a pensions dashboard service may not include a facility for engaging in financial transaction activities.”

Neil Gray
Richard Thomson

Not called 9

Clause 118, page 105, line 25, at end insert—

- “(6A) A requirement under subsection (5)(d) may require the provider of a pensions dashboard service to ensure that the needs of people in vulnerable circumstances, including but not exclusively—
 - (a) persons who suffer long-term sickness or disability,
 - (b) carers,
 - (c) persons on low incomes, and
 - (d) recipients of benefits,are met and that resources are allocated in such a way as to allow specially trained

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advisers and guidance to be made available to them.”

Neil Gray
Richard Thomson

Not called 10

Clause 118, page 105, line 25, at end insert—

“(6A) A requirement under subsection (5)(d) may require the provider of a pensions dashboard service to communicate to an individual using the dashboard the difference between—

- (a) provision of information,
 - (b) provision of guidance, and
 - (c) provision of advice.”
-

Keir Starmer
Jonathan Reynolds
Jack Dromey
Mr Nicholas Brown

Not called 11

Clause 119, page 108, line 18, after “scheme,” insert—

“(iva) the total cost of charges incurred for the administration of the scheme”

Keir Starmer
Jonathan Reynolds
Jack Dromey
Mr Nicholas Brown

Not called 13

Clause 121, page 112, line 42, after “scheme,” insert—

“(iva) the total cost of charges incurred for the administration of the scheme”

Neil Gray
Richard Thomson

Not called 8

Clause 122, page 116, line 37, at end insert—

“(2A) Before any other pension dashboard services can qualify under section 238A of the Pensions Act 2004 (qualifying pensions dashboard service)—

- (a) the pensions dashboard service under subsection (1) must have been established for at least one year, and
- (b) the Secretary of State must lay before Parliament a report on the operation and effectiveness of the pensions dashboard service under subsection (1) in its first year.”

Pension Schemes Bill [*Lords*], *continued*

Keir Starmer
Jonathan Reynolds
Jack Dromey
Mr Nicholas Brown

Not called 14

Clause 122, page 116, line 37, at end insert—

- “(3) Before any other pension dashboard services can qualify under section 238A of the Pensions Act 2004 (qualifying pensions dashboard service) the Secretary of State must lay before Parliament a report on the operation and effectiveness of the pensions dashboard service, including the adequacy of consumer protections.”

Wendy Chamberlain
Ed Davey
Mr Alistair Carmichael
Daisy Cooper
Tim Farron
Wera Hobhouse

Christine Jardine
Jamie Stone

Layla Moran
Munira Wilson

Sarah Olney

Negated on division 1

Clause 123, page 117, line 34, at end insert—

- “(2) In exercising any powers to make regulations, or otherwise to prescribe any matter or principle, under Part 3 of the Pensions Act 2004 (scheme funding) as amended by Schedule 10, the Secretary of State must ensure that—
- (a) schemes that are expected to remain open to new members, either indefinitely or for a significant period of time, are treated differently from schemes that are not;
 - (b) scheme liquidity is balanced with scheme maturity;
 - (c) there is a correlation between appropriate investment risk and scheme maturity;
 - (d) affordability of contributions to employers is maintained;
 - (e) affordability of contributions to members is maintained;
 - (f) the closure of schemes that are expected to remain open to new members, either indefinitely or for a significant period of time, is not accelerated; and
 - (g) trustees retain sufficient discretion to be able to comply with their duty to act in the best interests of their beneficiaries.”

Wendy Chamberlain
Ed Davey
Mr Alistair Carmichael
Daisy Cooper
Tim Farron
Wera Hobhouse

Christine Jardine
Jamie Stone

Layla Moran
Munira Wilson

Sarah Olney

Not called 6

Clause 123, page 117, line 34, at end insert—

Pension Schemes Bill [Lords], continued

- “(2) The Secretary of State must, on or before 30 June 2021, lay before Parliament a comprehensive impact assessment of the effect on the charitable sector of changes to defined benefit schemes made under Schedule 10.”

Neil Gray
Richard Thomson
Jonathan Reynolds
Jack Dromey
Wendy Chamberlain

Not called 7

Clause 123, page 117, line 34, at end insert—

- “(2) In exercising any powers to make regulations, or otherwise to prescribe any matter or principle, under Part 3 of the Pensions Act 2004 (scheme funding) as amended by Schedule 10, the objectives of the Secretary of State must include ensuring that schemes that are expected to remain open to new members, either indefinitely or for a significant period of time, can adopt funding and investment strategies which are suited to the characteristics of such schemes.”

Keir Starmer
Anneliese Dodds
Edward Miliband
Jonathan Reynolds
Jack Dromey
Mr Nicholas Brown

Negatived on division 16

Clause 124, page 118, line 45, leave out subsection (8) and insert—

- “(8) In this section and in sections 41AA, 41B and 41C—
- (a) “the Paris Agreement goal” means the objectives set out in Articles 2 and 4.1 of the agreement done at Paris on 12 December 2015; and
 - (b) “other climate change goal” means any climate change goal approved by the Secretary of State, but does not apply to a climate change goal which fails to meet the objectives of the Paris Agreement goal.

41AA Alignment with the Paris Agreement goal

- (1) Trustees or managers of occupational pension schemes of a prescribed description must develop, set and implement, and from time to time review and if necessary revise, a strategy for ensuring that their investment policy, objectives and practices (including stewardship activities) are aligned with the Paris Agreement goal or other climate change goal.
- (2) Such a strategy is to be known as a “Paris-alignment strategy”.
- (3) The objective of a Paris-alignment strategy must be to achieve net-zero greenhouse gas emissions by 2050 or sooner, consistent with the Paris Agreement goal or other climate change goal.
- (4) Provision may be made by regulations—
 - (a) requiring the trustees or managers of a scheme, in determining or revising a Paris-alignment strategy, to take into account prescribed matters and follow prescribed principles—
 - (i) as to the level of detail required in a Paris-alignment strategy; and

Pension Schemes Bill [Lords], continued

- (ii) as to the period within which a Paris-alignment strategy must be developed, set and effected;
- (b) requiring annual reporting on the implementation of the Paris-alignment strategy and progress against the objective set out in subsection (3); and
- (c) requiring a Paris-alignment strategy to be reviewed, and if necessary revised, at such intervals and on such occasions as may be prescribed.”

Keir Starmer
Anneliese Dodds
Edward Miliband
Jonathan Reynolds
Jack Dromey
Mr Nicholas Brown

Not called 17

Clause 124, page 119, line 7, after “scheme” insert “and alignment with achieving the objectives of the Paris Agreement goal or other climate change goal”.

Keir Starmer
Anneliese Dodds
Edward Miliband
Jonathan Reynolds
Jack Dromey
Mr Nicholas Brown

Not called 18

Clause 124, page 119, line 8, leave out “section 41A” and insert “sections 41A and 41AA”.

Keir Starmer
Anneliese Dodds
Edward Miliband
Jonathan Reynolds
Jack Dromey
Mr Nicholas Brown

Not called 19

Clause 124, page 119, line 19, after “41A”, insert “, 41AA”.

Keir Starmer
Anneliese Dodds
Edward Miliband
Jonathan Reynolds
Jack Dromey
Mr Nicholas Brown

Not called 20

Clause 124, page 119, line 21, after “41A”, insert “, 41AA”.

Keir Starmer
Anneliese Dodds
Edward Miliband
Jonathan Reynolds
Jack Dromey
Mr Nicholas Brown

Not called 21

Clause 124, page 119, line 22, at end insert—

- “(za) provide for the Authority to undertake a review of, and report publicly on, the extent to which the activities under sections 41A and 41AA are

Pension Schemes Bill [Lords], continued

achieving effective governance of climate change risk and alignment of pension schemes with the Paris Agreement goal;”.

Keir Starmer
Anneliese Dodds
Edward Miliband
Jonathan Reynolds
Jack Dromey
Mr Nicholas Brown

Clause 124, page 119, line 25, after “41A”, insert “, 41AA”.

Not called 22

Keir Starmer
Anneliese Dodds
Edward Miliband
Jonathan Reynolds
Jack Dromey
Mr Nicholas Brown

Clause 124, page 119, line 30, after “41A”, insert “, 41AA”.

Not called 23

Keir Starmer
Anneliese Dodds
Edward Miliband
Jonathan Reynolds
Jack Dromey
Mr Nicholas Brown

Clause 124, page 119, line 37, after “41A”, insert “, 41AA”.

Not called 24

Stephen Timms
Nigel Mills
Sir Desmond Swayne
Neil Coyle
Steve McCabe
Richard Thomson

Neil Gray

Ms Angela Eagle

Clause 125, page 120, line 32, at end insert—

“(e) the results of due diligence undertaken by the trustees or managers regarding the intended transfer or the receiving scheme.”

Not called 2

Pension Schemes Bill [*Lords*], *continued*

Stephen Timms
Nigel Mills
Sir Desmond Swayne
Neil Coyle
Steve McCabe
Richard Thomson

Neil Gray

Ms Angela Eagle

Not called 3

Clause 125, page 121, line 27, at end insert—

“(e) the results of due diligence undertaken by the trustees or managers regarding the intended transfer or the receiving scheme.”

Keir Starmer
Jonathan Reynolds
Jack Dromey
Mr Nicholas Brown

Not called 12

Schedule 9, page 178, line 14, after “scheme,” insert—

“(iva) the total cost of charges incurred for the administration of the scheme”

Stephen Timms
Nigel Mills
Sir Desmond Swayne
Neil Coyle
Steve McCabe
Richard Thomson

Neil Gray

Ms Angela Eagle

Not called 4

Schedule 11, page 192, line 20, at end insert—

“(e) the results of due diligence undertaken by the trustees or managers regarding the intended transfer or the receiving scheme.”

Pension Schemes Bill [*Lords*], *continued*

Stephen Timms
Nigel Mills
Sir Desmond Swayne
Neil Coyle
Steve McCabe
Richard Thomson

Neil Gray

Ms Angela Eagle

Not called 5

Schedule 11, page 193, line 15, at end insert—

“(e) the results of due diligence undertaken by the trustees or managers regarding the intended transfer or the receiving scheme.”

Bill read the third time, and passed with amendments.
