

Pension Schemes Bill [HL]

RUNNING LIST OF ALL AMENDMENTS IN GRAND COMMITTEE

Tabled up to and including

13 February 2020

[Sheets HL Bill 4(a) to (k)]

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Schedule 1	Clause 98
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Clause 46	Title
Clause 97	

Clause 8

LORD MCKENZIE OF LUTON

Page 5, line 19, at end insert –

“(c) the impact of a collective money purchase scheme on private and public sector defined benefit schemes.”

Clause 9

LORD SHARKEY
BARONESS JANKE

Page 5, line 37, at end insert –

“() that the scheme provides for intergenerational fairness among its members.”

Clause 14

BARONESS DRAKE
LORD MCKENZIE OF LUTON

Page 9, line 8, after “scheme”, insert “or by an employer”

LORD SHARKEY
BARONESS ALTMANN
BARONESS JANKE

Page 9, line 9, at end insert –

“(4A) Regulations under subsection (3) must include provision for the scheme to hold a capital buffer in an amount to be specified by the Secretary of State.”

Clause 18

LORD VAUX OF HARROWDEN
BARONESS BOWLES OF BERKHAMSTED

Page 11, line 31, at end insert –

“() rules for ensuring fairness among all members of the scheme.”

LORD SHARKEY
BARONESS JANKE

Page 11, line 34, leave out subsection (4)

Clause 25

LORD YOUNG OF COOKHAM
BARONESS ALTMANN

Page 17, line 26, at end insert –

“() If the trustees receive an application under section 95 relating to money purchase benefits that are collective money purchase benefits, the trustees must check that the member or survivor has received appropriate independent advice before –

- (a) converting any of the benefits into different benefits that are flexible benefits under the scheme;
 - (b) making a transfer payment in respect of any of the benefits with a view to acquiring a right or entitlement to flexible benefits for the member or survivor under another pension scheme;
 - (c) paying a lump sum that would be an uncrystallised funds pension lump sum in respect of any of the benefits.
- () The Secretary of State may by regulations make provision about –

Clause 25 - continued

- (a) what the trustees or managers must do to check that a member or survivor has received appropriate independent advice for the purposes of this section, and
- (b) when the check must be carried out.”

After Clause 28

LORD HUTTON OF FURNESS
LORD MCKENZIE OF LUTON

Insert the following new Clause –

“Duty to notify the Pensions Regulator: fit and proper persons requirement

- (1) The trustees of an authorised collective money purchase scheme must notify the Pensions Regulator within two weeks of a person assuming a role listed in paragraphs (b) to (e) of section 11(2).
- (2) The Pensions Regulator must –
 - (a) assess whether the person in respect of whom notice is given under subsection (1) is a fit and proper person to act in the relevant capacity, and
 - (b) if it is not satisfied that the person is a fit and proper person to act in that capacity, consider whether to withdraw the scheme’s authorisation in accordance with section 30.”

Clause 31

LORD SHARKEY

Page 21, line 29, after “concern” insert “or decides to withdraw from the scheme”

Clause 46

LORD VAUX OF HARROWDEN
BARONESS ALTMANN

Page 37, line 14, at end insert –

- “() Regulations under subsection (1) must ensure that any information published relating to the scheme must clearly and prominently state that benefits that may be payable under the scheme are only targets and not guaranteed, and that benefits paid may vary, increasing or decreasing from time to time.”

Clause 47

LORD SHARKEY
BARONESS JANKE

Page 38, line 4, leave out subsection (5)

Schedule 3

BARONESS STEDMAN-SCOTT

Page 131, line 18, at end insert –

- “22 The Pensions Act 2014 is amended as follows.
- 23 In section 54(2) (regulations subject to affirmative procedure), omit the “or” after paragraph (e) and at the end of paragraph (f) insert “, or
(g) the first regulations under paragraph 1 or 3 of that Schedule that make provision in relation to collective money purchase schemes within the meaning of Part 1 of the Pension Schemes Act 2020 (see section 1 of that Act).”
- 24 (1) Schedule 18 (power to restrict charges or impose requirements in relation to schemes) is amended as follows.
- (2) In paragraph 1(1) (power to restrict charges), in each of paragraphs (a) and (b), for “a member” substitute “members”.
- (3) In paragraph 4 (interpretation), after sub-paragraph (2) insert –
“(3) Where a pension scheme is divided into sections, each section that is a collective money purchase scheme for the purposes of Part 1 of the Pension Schemes Act 2020 (see section 1(2)(b) of that Act) is to be treated for the purposes of this Schedule as a separate scheme.””

Member’s explanatory statement

This amendment ensures that regulations under Schedule 18 to the Pensions Act 2014 may be made in relation to collective money purchase schemes. The first such regulations will be subject to the affirmative procedure. The power to make regulations in relation to other types of scheme is unaffected.

Schedule 6

BARONESS STEDMAN-SCOTT

Page 139, line 22, at end insert –

- “22 The Pensions Act (Northern Ireland) 2015 (c. 5 (N.I.)) is amended as follows.
- 23 In section 51(4) (regulations subject to confirmatory procedure), omit the “or” after paragraph (e) and at the end of paragraph (f) insert “, or
(g) the first regulations under paragraph 1 or 3 of that Schedule that make provision in relation to collective money purchase schemes within the meaning of Part 2 of the Pension Schemes Act 2020 (see section 52 of that Act).”
- 24 (1) Schedule 18 (power to restrict charges or impose requirements in relation to schemes) is amended as follows.
- (2) In paragraph 1(1) (power to restrict charges), in each of paragraphs (a) and (b), for “a member” substitute “members”.
- (3) In paragraph 4 (interpretation), after sub-paragraph (2) insert –

Schedule 6 - continued

“(3) Where a pension scheme is divided into sections, each section that is a collective money purchase scheme for the purposes of Part 2 of the Pension Schemes Act 2020 (see section 52(2)(b) of that Act) is to be treated for the purposes of this Schedule as a separate scheme.””

Member’s explanatory statement

This amendment ensures that regulations under Schedule 18 to the Pensions Act (Northern Ireland) 2015 may be made in relation to collective money purchase schemes. The first such regulations will be subject to the confirmatory procedure. The power to make regulations in relation to other types of scheme is unaffected.

Clause 51

LORD SHARKEY

Lord Sharkey gives notice of his intention to oppose the Question that Clause 51 stand part of the Bill.

Clause 107

BARONESS BOWLES OF BERKHAMSTED
BARONESS ALTMANN
BARONESS JANKE

Page 90, line 24, after “person” insert “wilfully, recklessly or unscrupulously”

BARONESS BOWLES OF BERKHAMSTED

Page 90, leave out lines 33 and 34

BARONESS BOWLES OF BERKHAMSTED
BARONESS ALTMANN
BARONESS JANKE

Page 91, line 32, after “person” insert “wilfully, recklessly or unscrupulously”

LORD HUTTON OF FURNESS

Page 91, line 33, leave out “detrimentally affects in a material way the likelihood of” and insert “wilfully or recklessly puts at risk”

LORD HUTTON OF FURNESS
BARONESS BOWLES OF BERKHAMSTED

Page 91, leave out lines 36 and 37

LORD HUTTON OF FURNESS

Page 93, line 32, leave out “detrimentally affected in a material way the likelihood of” and insert “wilfully or recklessly put at risk”

Page 93, leave out lines 36 and 37

Clause 109

LORD VAUX OF HARROWDEN
BARONESS BOWLES OF BERKHAMSTED

Page 95, line 15, at end insert –

- “() In particular, the declaration of a dividend by the employer is a notifiable event for the purposes of subsection (1) if –
- (a) the value of the assets of the scheme is less than the amount of the liabilities of the scheme,
 - (b) the amount of the dividend exceeds the annual deficit repair contribution, and
 - (c) the amount of the annual deficit repair contribution is less than 20% of the difference between the value of the assets of the scheme and the amount of the liabilities of the scheme.”

Clause 112

LORD SHARKEY

Page 99, line 7, leave out “£50,000” and insert “£1 million”

Page 100, line 2, leave out “£10,000” and insert “£50,000”

Clause 115

BARONESS BOWLES OF BERKHAMSTED
BARONESS JANKE

Page 102, line 29, leave out “£1 million” and insert “twice the employer’s pension deficit or 4% of the employer’s annual global turnover (whichever is greater)”

LORD SHARKEY

Page 102, line 29, leave out “£1 million” and insert “£50 million”

After Clause 115

BARONESS BOWLES OF BERKHAMSTED
BARONESS JANKE

Insert the following new Clause –

“Report for the purposes of the Company Directors Disqualification Act 1986

- (1) The Pensions Regulator must make a report to the Secretary of State under this section if the circumstances in subsection (2) apply.
- (2) The circumstances in this subsection are where –
 - (a) a person has been convicted of an offence under this Act or another offence related to a pension scheme,
 - (b) it appears to the Pensions Regulator that a person has committed an offence under this Act or another offence related to a pension scheme, or
 - (c) a person is fined under section 88A of the Pensions Act 2004.

After Clause 115 - continued

- (3) In the report under subsection (1) the Pensions Regulator must—
- (a) identify the person,
 - (b) identify, where the person is a corporate body, any person who was a director of it at the time any offence was committed or appears to have been committed,
 - (c) report on any facts which appear to the Pensions Regulator to be relevant to the Secretary of State for the purpose of making a decision under section 8(1) of the Company Directors Disqualification Act 1986, and
 - (d) state whether the Pensions Regulator considers that, having regard to the need for public confidence in the system of pensions regulation, it would be expedient in the public interest for any person so identified to be the subject of a disqualification order.
- (4) But the Pensions Regulator is not to be required to make a report to the Secretary of State in respect of a person if—
- (a) that person is a director who is the subject of a disqualification order under section 2 of the Company Directors Disqualification Act 1986 in respect of a criminal offence, or
 - (b) in the case of a fine under section 88A of the Pensions Act 2004, it appears to the Pensions Regulator that no public interest would be served in making a disqualification order against that person.”

LORD MCKENZIE OF LUTON
BARONESS SHERLOCK

Insert the following new Clause—

“Membership of defined benefit schemes

- (1) The Pensions Act 2004 is amended as follows.
- (2) In section 5(1) (regulator’s objectives) after paragraph (d) insert—
“(e) to promote the membership of defined benefit schemes.””

BARONESS SHERLOCK

Insert the following new Clause—

“Regulatory statement on new offences

By the end of the day after that on which this Act is passed, the Pensions Regulator must publish guidance for pensions schemes and trustees of pension schemes concerning the operation of law in respect of offences introduced by this Act, including—

- (a) conduct that constitutes a reasonable excuse for the purposes of the offence of conduct risking accrued scheme benefits under section 58B of the Pensions Act 2004, and
- (b) conduct that constitutes conduct that detrimentally affects in a material way the likelihood of accrued scheme benefits being received for the purposes of section 58A(2)(a) of the Pensions Act 2004.”

Clause 118

BARONESS DRAKE

Page 105, line 4, after “service” insert “(which may be publicly or privately owned)”

LORD YOUNG OF COOKHAM

Page 105, line 7, at end insert “or any person named as a beneficiary under that individual’s pension scheme”

BARONESS SHERLOCK
BARONESS DRAKE

Page 105, line 9, at end insert –

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

LORD YOUNG OF COOKHAM

Page 105, line 20, at end insert –

“(iii) an individual’s additional assets capable of being included in a pension scheme and of providing a pension income;”

Page 105, line 28, at end insert –

“() information of a prescribed description relating to the individual’s pension assets and other assets capable of being included in a pension scheme and of providing a pension income, which may be made available to the pensions dashboard service through an authorised and regulated financial adviser.”

BARONESS ALTMANN

Page 105, line 28, at end insert –

“() Requirements prescribed under subsection (2) must require that information about state pensions includes projected state pension at retirement.”

Page 105, line 28, at end insert –

“() Requirements prescribed under subsection (2) must require that the provision of pensions dashboard services is an activity regulated by the FCA.”

LORD YOUNG OF COOKHAM

Page 106, leave out line 32

BARONESS DRAKE
BARONESS SHERLOCK

Page 107, line 28, at end insert –

“238BA Publicly owned pensions dashboard service

Clause 118 - continued

- (1) The Secretary of State must designate a public body to provide a publicly owned pensions dashboard service.
- (2) The governance, control and ownership of the service may not be delegated or transferred from a public body.
- (3) The public body must not charge fees for the use of its service or display advertising on the dashboard.”

Page 107, line 28, at end insert –

“238BB Publicly owned pensions dashboard service review

The Secretary of State must not make regulations to allow privately owned pensions dashboard services to enter the market until –

- (a) the publicly owned pensions dashboard service designated under section 238BA has been operating for at least one year, and
- (b) the Secretary of State has laid before each House of Parliament a review of the structure and effectiveness of the publicly owned pensions dashboard service.”

Clause 119

BARONESS SHERLOCK
LORD FLIGHT
BARONESS ALTMANN

Page 109, line 4, at end insert –

“() the estimated retirement income of the scheme,”

Page 109, line 4, at end insert –

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

BARONESS HAYMAN
BARONESS JONES OF WHITCHURCH

Page 109, line 9, at end insert –

“(c) information on how scheme investments –

- (i) have due regard to environmental factors including climate change as set out in the UK Stewardship Code, and
- (iii) align with the objectives of the Paris Agreement to hold the increase in the global average temperature to well below 2°C.”

LORD FLIGHT

Page 109, line 46, at end insert –

“() The Secretary of State must publish a report within six months of this section coming into force containing a timeline of when the following information will be available on pensions dashboards –

Clause 119 - continued

- (a) information relating to how much income members are likely to receive under the scheme when they retire; and
- (b) information relating to charges paid by individual members of pension schemes.”

Schedule 9

BARONESS ALTMANN

Page 171, line 35, at end insert –

“() Requirements prescribed under paragraph (2) must require that information about state pensions includes projected state pension at retirement.”

Page 171, line 35, at end insert –

“() Requirements prescribed under paragraph (2) must require that the provision of pensions dashboard services is an activity regulated by the FCA.”

BARONESS DRAKE
BARONESS SHERLOCK

Page 173, line 38, at end insert –

“215BA Publicly owned pensions dashboard service

- (1) The Department must designate a public body to provide a publicly owned pensions dashboard service.
- (2) The governance, control and ownership of the service may not be delegated or transferred from a public body.
- (3) The public body must not charge fees for the use of its service or display advertising on the dashboard.”

Page 173, line 38, at end insert –

“215BB Publicly owned pensions dashboard service review

Regulations must not allow privately owned pensions dashboard services to enter the market until –

- (a) the publicly owned pensions dashboard service designated under Article 215BA has been operating for at least one year, and
- (b) the Department has laid before the Assembly a review of the structure and effectiveness of the publicly owned pensions dashboard service.”

LORD FLIGHT

Page 175, line 4, at end insert –

“() how much pension income members may receive when they retire,
() member-level charges, and”

Member's explanatory statement

The aim of this amendment is to add information about how much income members could have when they retire, and information about member level charges, to the list of pensions information (in relation to occupational pension schemes in Northern Ireland) that could be provided to dashboards.

Page 175, line 10, at end insert –

- “() The Department must publish a report within six months of this section coming into force containing a timeline of when the following information will be available on pensions dashboards –
- (a) information relating to how much income members are likely to receive under the scheme when they retire; and
 - (b) information relating to charges paid by individual members of pension schemes.”

Member's explanatory statement

The amendment is to ensure the amendments tabled to Clause 119 are replicated for Northern Ireland.

Clause 121

LORD MCKENZIE OF LUTON
BARONESS SHERLOCK
BARONESS ALTMANN

Page 113, line 12, after “make” insert “and enforce”

LORD MCKENZIE OF LUTON
BARONESS SHERLOCK
LORD HUTTON OF FURNESS
BARONESS ALTMANN

Page 113, line 21, at end insert –

- “() The FCA must create an authorisation and supervision regime for pensions dashboard services.”

LORD FLIGHT

Page 113, line 34, at end insert –

- “() how much pension income members may receive when they retire,
() member-level charges, and”

Member's explanatory statement

The amendment is to add information about how much income members could have when they retire, and information about member level charges, to the list of pensions information (in relation to personal and stakeholder pension schemes) that could be provided to dashboards.

LORD MCKENZIE OF LUTON
 BARONESS SHERLOCK
 LORD HUTTON OF FURNESS
 BARONESS ALTMANN

Page 113, line 40, at end insert –

“() Rules made by virtue of subsection (1) must ensure that specified authorised persons, in providing qualifying pensions dashboard services, have a fiduciary duty to act in the interests of savers.”

LORD MCKENZIE OF LUTON
 BARONESS SHERLOCK

Page 116, line 6, after “consult” insert “the public and”

Clause 122

LORD YOUNG OF COOKHAM
 LORD SHARKEY

Page 117, line 8, leave out “may” and insert “must”

LORD YOUNG OF COOKHAM

Page 117, line 13, at end insert “no later than 31 December 2023”

After Clause 122

BARONESS NEVILLE-ROLFE

Insert the following new Clause –

“Pension dashboards: impact assessment

Within six months of the passing of this Act the Secretary of State must lay an impact assessment before each House of Parliament setting out the expected costs of the provisions of this Part for businesses, and governmental and non-profit organisations.”

After Clause 123

BARONESS STEDMAN-SCOTT

Insert the following new Clause –

“Climate change risk

- (1) The Pensions Act 1995 is amended as follows.
- (2) After section 41 insert –

“41A Climate change risk

- (1) Regulations may impose requirements on the trustees or managers of an occupational pension scheme of a prescribed description with a view to securing that there is effective governance of the scheme with respect to the effects of climate change.
- (2) The effects of climate change in relation to which provision may be made under subsection (1) include, in particular –

After Clause 123 - continued

- (a) risks arising from steps taken because of climate change (whether by governments or otherwise), and
 - (b) opportunities relating to climate change.
- (3) The requirements which may be imposed by the regulations include, in particular, requirements about—
- (a) reviewing the exposure of the scheme to risks of a prescribed description;
 - (b) assessing the assets of the scheme in a prescribed manner;
 - (c) determining, reviewing and (if necessary) revising a strategy for managing the scheme’s exposure to risks of a prescribed description;
 - (d) determining, reviewing and (if necessary) revising targets relating to the scheme’s exposure to risks of a prescribed description;
 - (e) measuring performance against such targets;
 - (f) preparing documents containing information of a prescribed description.
- (4) Regulations under subsection (3)(b) may, in particular, require assets to be assessed by reference to their exposure to risks of a prescribed description and may, for the purposes of such an assessment, require the contribution of such assets to climate change to be determined.
- (5) In complying with requirements imposed by the regulations, a trustee or manager must have regard to guidance prepared from time to time by the Secretary of State.

41B Climate change risk: publication of information

- (1) Regulations may require the trustees or managers of an occupational pension scheme of a prescribed description to publish information of a prescribed description relating to the effects of climate change on the scheme.
- (2) Regulations under subsection (1) may, among other things—
- (a) require the trustees or managers to publish a document of a prescribed description;
 - (b) require information or a document to be made available free of charge;
 - (c) require information or a document to be provided in a form that is or by means that are prescribed or of a prescribed description.
- (3) In complying with requirements imposed by the regulations, a trustee or manager must have regard to guidance prepared from time to time by the Secretary of State.

41C Sections 41A and 41B: compliance

- (1) Regulations may make provision with a view to ensuring compliance with a provision of regulations under section 41A or 41B.
- (2) The regulations may in particular—
- (a) provide for the Authority to issue a notice (a “compliance notice”) to a person with a view to ensuring the person’s compliance with a provision of regulations under section 41A or 41B;

After Clause 123 - continued

- (b) provide for the Authority to issue a notice (a “third party compliance notice”) to a person with a view to ensuring another person’s compliance with a provision of regulations under section 41A or 41B;
 - (c) provide for the Authority to issue a notice (a “penalty notice”) imposing a penalty on a person where the Authority are of the opinion that the person –
 - (i) has failed to comply with a compliance notice or third party compliance notice, or
 - (ii) has contravened a provision of regulations under section 41A or 41B;
 - (d) provide for the making of a reference to the First-tier Tribunal or Upper Tribunal in respect of the issue of a penalty notice or the amount of a penalty;
 - (e) confer other functions on the Authority.
- (3) The regulations may make provision for determining the amount, or the maximum amount, of a penalty in respect of a failure or contravention.
- (4) But the amount of a penalty imposed under the regulations in respect of a failure or contravention must not exceed –
- (a) £5,000, in the case of an individual, and
 - (b) £50,000, in any other case.”
- (3) In section 116 (breach of regulations), in subsection (3)(b), after “10” insert “or under provision contained in regulations made by virtue of section 41C”.
- (4) In section 175 (Parliamentary control of orders and regulations) –
- (a) in subsection (1), after “(2)” insert “, (2A)”;
 - (b) after subsection (2) insert –

“(2A) A statutory instrument which contains the first regulations made by virtue of section 41A or 41C must not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.””

Member’s explanatory statement

This amendment imposes requirements on trustees and managers of certain occupational pension schemes as regards taking into account the effects of climate change and publishing information relating to those effects.

Clause 124

BARONESS STEDMAN-SCOTT

Page 118, line 11, after “(d)” insert “, (2A)(a), (b) or (d)”

Member’s explanatory statement

This amendment extends to unfunded public service defined benefits schemes the requirement that prescribed conditions are satisfied before trustees or managers may use a cash equivalent to buy into other pension arrangements.

After Clause 124

LORD SHARKEY
 BARONESS ALTMANN
 BARONESS JANKE

Insert the following new Clause—

“Consumer protection on pension drawdown or transfer

- (1) Pension scheme providers must not comply with an application of a member of a scheme to be paid drawdown pension (as defined by paragraph 4 of Schedule 28 to the Finance Act 2004) or to exercise the right to take a cash equivalent (under section 94 of the Pension Schemes Act 1993) unless—
 - (a) the member demonstrates that he or she has received independent financial advice pertaining to the proposed drawdown or exercising the right to cash equivalent, or
 - (b) 60 days has elapsed since the application was made in writing.
- (2) The condition in subsection (1)(a) may be satisfied by written confirmation from Pension Wise that they have given such advice to the member either orally or by other means.”

After Clause 125

LORD BALFE
 BARONESS ALTMANN
 LORD SHARKEY

Insert the following new Clause—

“Compensation payments under Pension Protection Fund

In Schedule 7 to the Pensions Act 2004 omit paragraphs 26, 26A and 27 (compensation cap).”

Clause 128

BARONESS STEDMAN-SCOTT

Page 120, line 33, after “sections” insert “(*Climate change risk*) and”

Member’s explanatory statement

This amendment is consequential upon the Minister’s amendment to insert a new Clause after Clause 123.

After Clause 128

LORD MCKENZIE OF LUTON

Insert the following new Clause—

“Pension Schemes Commission

- (1) Within six months of the passing of this Act, the Secretary of State must establish a Pension Schemes Commission to—

After Clause 128 - continued

- (a) conduct a strategic review of public policy regarding pension schemes, and
 - (b) make recommendations.
- (2) The Secretary of State must respond to reports from the Pension Schemes Commission with a written statement laid before each House of Parliament.”

BARONESS NEVILLE-ROLFE

Insert the following new Clause—

“Tapered reduction of annual pension tax allowance: review

Within 6 months of the passing of this Act, the Secretary of State must conduct a review of how legislation and policy governing pension schemes could be adjusted to mitigate adverse effects of the tapered reduction of annual allowance under section 228ZA of Finance Act 2004, and lay a report before each House of Parliament.”

LORD BALFE
BARONESS ALTMANN
LORD SHARKEY

Insert the following new Clause—

“Approval of proposed distributions by public companies

- (1) The Companies Act 2006 is amended as follows.
- (2) After section 830 insert—

“830A Approval of proposed distributions by public companies: pension schemes

A public company may only make a distribution if it has received written approval for the proposed distribution from—

- (a) the trustees of any pension scheme responsible for the pensions of current or former employees of the company, and
- (b) the Pensions Regulator.””

LORD MCKENZIE OF LUTON

Insert the following new Clause—

“Report on public sector defined benefit schemes

The Secretary of State must, at the end of the period of six months beginning on the day on which this Act is passed, lay before both Houses of Parliament a strategy for protecting public sector defined benefit schemes.”

After Clause 128 - continued

LORD WARNER
BARONESS ALTMANN

Insert the following new Clause—

“National Health Service Pension Schemes: tax charges

- (1) The Secretary of State must by regulations made by statutory instrument make provision to ensure that the National Health Service Pension Schemes reimburse their members for pension tax charges to the extent necessary to fulfil the objective of subsection (2).
- (2) The objective of this subsection is that in any tax year, for a member of the National Health Service Pension Schemes, the member’s income less annual allowance pension tax charges is not smaller if the member’s income is greater.
- (3) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.”

Schedule 11

BARONESS STEDMAN-SCOTT

Page 186, line 16, at end insert—

“11A (1) The Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) is amended as follows.

(2) After Article 41 insert—

“41A Climate change risk

- (1) Regulations may impose requirements on the trustees or managers of an occupational pension scheme of a prescribed description with a view to securing that there is effective governance of the scheme with respect to the effects of climate change.
- (2) The effects of climate change in relation to which provision may be made under paragraph (1) include, in particular—
 - (a) risks arising from steps taken because of climate change (whether by governments or otherwise), and
 - (b) opportunities relating to climate change.
- (3) The requirements which may be imposed by the regulations include, in particular, requirements about—
 - (a) reviewing the exposure of the scheme to risks of a prescribed description;
 - (b) assessing the assets of the scheme in a prescribed manner;
 - (c) determining, reviewing and (if necessary) revising a strategy for managing the scheme’s exposure to risks of a prescribed description;
 - (d) determining, reviewing and (if necessary) revising targets relating to the scheme’s exposure to risks of a prescribed description;
 - (e) measuring performance against such targets;

Schedule 11 - continued

- (f) preparing documents containing information of a prescribed description.
- (4) Regulations under paragraph (3)(b) may, in particular, require assets to be assessed by reference to their exposure to risks of a prescribed description and may, for the purposes of such an assessment, require the contribution of such assets to climate change to be determined.
- (5) In complying with requirements imposed by the regulations, a trustee or manager must have regard to guidance prepared from time to time by the Department.

41B Climate change risk: publication of information

- (1) Regulations may require the trustees or managers of an occupational pension scheme of a prescribed description to publish information of a prescribed description relating to the effects of climate change on the scheme.
- (2) Regulations under paragraph (1) may, among other things—
 - (a) require the trustees or managers to publish a document of a prescribed description;
 - (b) require information or a document to be made available free of charge;
 - (c) require information or a document to be provided in a form that is or by means that are prescribed or of a prescribed description.
- (3) In complying with requirements imposed by the regulations, a trustee or manager must have regard to guidance prepared from time to time by the Department.

41C Articles 41A and 41B: compliance

- (1) Regulations may make provision with a view to ensuring compliance with a provision of regulations under Article 41A or 41B.
- (2) The regulations may in particular—
 - (a) provide for the Authority to issue a notice (a “compliance notice”) to a person with a view to ensuring the person’s compliance with a provision of regulations under Article 41A or 41B;
 - (b) provide for the Authority to issue a notice (a “third party compliance notice”) to a person with a view to ensuring another person’s compliance with a provision of regulations under Article 41A or 41B;
 - (c) provide for the Authority to issue a notice (a “penalty notice”) imposing a penalty on a person where the Authority are of the opinion that the person—
 - (i) has failed to comply with a compliance notice or third party compliance notice, or
 - (ii) has contravened a provision of regulations under Article 41A or 41B;
 - (d) provide for the making of a reference to the First-tier Tribunal or Upper Tribunal in respect of the issue of a penalty notice or the amount of a penalty;
 - (e) confer other functions on the Authority.

Schedule 11 - continued

- (3) The regulations may make provision for determining the amount, or the maximum amount, of a penalty in respect of a failure or contravention.
 - (4) But the amount of a penalty imposed under the regulations in respect of a failure or contravention must not exceed—
 - (a) £5,000, in the case of an individual, and
 - (b) £50,000, in any other case.
 - (5) In this Article “First-tier Tribunal” and “Upper Tribunal” mean those tribunals established under section 3 of the Tribunals, Courts and Enforcement Act 2007.”
- (3) In Article 113 (breach of regulations), in paragraph (3)(b), after “10” insert “or under provision contained in regulations made by virtue of Article 41C”.
 - (4) In Article 167 (Assembly, etc. control of orders and regulations), after paragraph (3) insert—
 - “(3A) Paragraph (2) also applies in relation to the first regulations made by virtue of Article 41A or 41C (whether made alone or with other regulations).”

Member’s explanatory statement

This amendment makes provision for Northern Ireland that is equivalent to the provision made by the Minister’s amendment to insert a new Clause after Clause 123.

Page 186, line 22, after “(d)” insert “, (2A)(a), (b) or (d)”

Member’s explanatory statement

This amendment makes provision for Northern Ireland that is equivalent to the provision made by the Minister’s amendment at page 118, line 11.

Before Clause 129

BARONESS NEVILLE-ROLFE

Insert the following new Clause—

“Impact assessment

Within six months of the passing of this Act the Secretary of State must lay an impact assessment before each House of Parliament setting out the expected costs of its provisions for businesses, and governmental and nonprofit organisations.”