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Amend the Pensions Act 2004 and the Companies Act 2006 to remove the cap on compensation payments under the Pension Protection Fund and to require the approval of pension scheme trustees and the Pensions Regulator for the distribution of dividends.

BE IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 The Pension Protection Fund

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

2 Approval of proposed distributions by public companies: pension schemes

- (1) The Companies Act 2006 is amended as follows. 5
(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— 10

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

3 Extent, commencement and short title

- (1) This Act extends to England and Wales, Scotland and Northern Ireland. 15
(2) This Act comes into force at the end of the period of six months beginning with the day on which it is passed.
(3) This Act may be cited as the Pensions (Amendment) Act 2020.

Pensions (Amendment) Bill [HL]

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To amend the Pensions Act 2004 and the Companies Act 2006 to remove the cap on compensation payments under the Pension Protection Fund and to require the approval of pension scheme trustees and the Pensions Regulator for the distribution of dividends.

Lord Balfe

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