

Pensions Bill

LORDS INSISTENCE, REASON AND AMENDMENTS IN LIEU

[*The page and line references are to HL Bill 61, the bill as first printed for the Lords.*]

After Clause 18

LORDS AMENDMENT NO. 22

22 Insert the following new Clause –

“Purchase of annuities

The Secretary of State shall, as soon as is reasonably practicable, by regulations require the trustees of qualifying schemes as defined by the Financial Assistance Scheme Regulations 2005 (S.I. 2005/1986) which have not yet completed winding-up to desist from purchasing (except where, on or before 18th April 2007, they have entered into a binding contractual commitment so to do) or making binding commitments to purchase annuities on behalf of scheme members, for a period of nine months from 18th April 2007.”

COMMONS DISAGREEMENT AND REASON

The Commons disagree to Lords Amendment No. 22 for the following Reason –

22A *Because the Commons consider that the prohibition on the purchase of annuities may have undesirable effects.*

LORDS NON-INSISTENCE AND AMENDMENTS IN LIEU

The Lords do not insist on their Amendment No. 22, but do propose the following Amendments Nos. 22B to 22D in lieu –

22B Insert the following new Clause –

“Temporary restriction on the purchase of annuities

- (1) The Secretary of State must by regulations make provision for securing that, during the period of 9 months beginning with the date on which the regulations come into force, the trustees of relevant pension schemes are

prohibited from purchasing, or agreeing to purchase, annuities on behalf of qualifying members, unless—

- (a) before that date they have entered into a binding commitment to purchase the annuities, or
 - (b) the purchase of the annuities is approved in pursuance of subsection (2).
- (2) The regulations must make provision—
- (a) for enabling the trustees of a relevant pension scheme to apply to the scheme manager for approval of the purchase of annuities on behalf of qualifying members;
 - (b) for authorising the scheme manager to approve the purchase of any such annuities if the scheme manager thinks it appropriate to do so.
- (3) For the purposes of this section an occupational pension scheme is a “relevant pension scheme” at any time during the period mentioned in subsection (1) if at that time the scheme is a qualifying pension scheme which has not been fully wound up.
- (4) Regulations under this section—
- (a) must be made as soon as is reasonably practicable after the passing of this Act;
 - (b) may make such consequential, incidental, supplemental or transitional provision as the Secretary of State considers appropriate.
- (5) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.
- (6) In this section “occupational pension scheme”, “qualifying member”, “qualifying pension scheme” and “scheme manager” have the same meanings as in section 286 of the Pensions Act 2004 (c. 35).”

Clause 28

22C Page 26, line 36, at end insert “and section (*Temporary restriction on purchase of annuities*)”

Clause 29

22D Page 27, line 10, at end insert “and section (*Temporary restriction on purchase of annuities*)”

Before Clause 23

LORDS AMENDMENT NO. 28

28 Insert the following new Clause—

“Post-legislative scrutiny

Four years after the passing of this Act the Secretary of State shall arrange for post-legislative scrutiny of this Act to check on its operation and may arrange subsequent scrutiny.”

COMMONS DISAGREEMENT AND REASON

The Commons disagree to Lords Amendment No. 28 for the following Reason –

- 28A** *Because the Commons consider that imposing an obligation on the Secretary of State to arrange for post-legislative scrutiny is unnecessary.*

LORDS INSISTENCE AND REASON

The Lords insist on their Amendment No. 28 for the following Reason –

- 28B** *Because the Lords remain of the view that it is appropriate to impose an early obligation on the Secretary of State to arrange for post-legislative scrutiny.*

LORDS INSISTENCE, REASON AND
AMENDMENTS IN LIEU OF THEIR
NON-INSISTENCE ON AN
AMENDMENT TO THE
PENSIONS BILL

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