

## **SUPERANNUATION BILL**

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### **EXPLANATORY NOTES ON LORDS AMENDMENTS**

#### **INTRODUCTION**

1. These explanatory notes relate to the Lords Amendments to the Superannuation Bill, as brought from the House of Lords on 7 December 2010. They have been prepared by the Cabinet Office in order to assist the reader of the Bill and the Lords Amendments and to help inform debate on the Lords Amendments. They do not form part of the Bill and have not been endorsed by Parliament.
2. These notes, like the Lords Amendments themselves, refer to HL Bill 22, the Bill as first printed for the Lords.
3. These notes need to be read in conjunction with the Lords Amendments and the text of the Bill. They are not, and are not meant to be, a comprehensive description of the effect of the Lords Amendments.
4. All the Lords Amendments were in the name of the Minister or reflect acceptance by the Government of a non-Government amendment.

#### **COMMENTARY ON LORDS AMENDMENTS**

##### ***Lords Amendment 1***

5. Lords Amendment 1 was intended to respond to the commitment made by the Minister for the Cabinet Office at Report and Third Reading in the Commons to bring forward amendments in the House of Lords to reinforce the requirement on the Government to carry out meaningful consultation with the civil service trade unions.
6. The amendment inserts a new clause into the Bill which would amend section 2 of the Superannuation Act 1972. *Subsection (2)* would have the effect of requiring the Government to consult with a view to reaching agreement on any provision of a scheme made under section 1 of the 1972 Act that would reduce the amount of a compensation benefit. (“Compensation benefit” is defined in the new section 2(3B) of the 1972 Act inserted by clause 1(3).) *Subsection (3)* would introduce a requirement for the Government to lay before Parliament a report on the consultation relating to

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that provision before the scheme comes into operation, and specifies what that report must include.

***Lords Amendments 2 and 3***

8. Lords Amendments 2 and 3 provide for the coming into force of the new clause inserted by Amendment 1.

9. Amendment 3 inserts a new subsection into clause 3 to provide that the new clause would come into force two months after Royal Assent is granted to the Bill. Clause 3(2) provides that the rest of the Bill would come into force on Royal Assent. Amendments 2 and 3 thus have the effect that the new consultation and reporting requirements would apply only to changes to compensation schemes made after the expiry of that two month period.

***Lords Amendment 4***

10. Lords Amendment 4 makes a drafting change in clause 3. This reflects the fact that a number of orders could be made under subsection (4) of that clause.

***Lords Amendments 5 and 6***

11. Lords Amendments 5 and 6 provide that an order under clause 3(4)(c) reviving clause 2 could not be made more than 3 years after Royal Assent.

***Lords Amendment 7***

11. Lords Amendment 7 amends the long title of the Bill to include the issues covered by Amendment 1.

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