Dear Colleague,

I am writing to draw your attention to a small number of Government amendments tabled yesterday to the Pensions Bill.

We are currently considering whether HMRC could be involved in the automatic transfers process and one of the amendments tabled therefore allows the amendment of the pensions levy provisions in the Pension Schemes Act 1993 to allow the levy paid by the relevant schemes to be used to meet any expenditure by the HMRC Commissioners for this purpose. The Department has submitted a supplementary Memorandum to the Delegated Powers and Regulatory Reform Committee in respect of this amendment and a copy of this is attached for your information.

A further technical amendment is also needed to remove the definition of a "member" of a pension scheme from the provisions in Schedule 16. This is simply to ensure that we do not inadvertently exclude those who are entitled to receive a pension but are not yet receiving it from the system of automatic transfers.

There is also an amendment relating to the operation of the Pension Protection Fund (PPF). This will ensure that, where a person has both a pension in their own right and an entitlement arising from a pension share order made by the Courts as part of a divorce settlement in a scheme that has been transferred into the PPF, the two entitlements are capped separately. The amendment is to support the current practice adopted by the PPF in applying the compensation cap, which is beneficial to the members concerned.
I hope this letter is helpful and I will place a copy of the letter and attachment in the House library. If you would like any further information on this amendment or on the Pensions Bill more broadly, please contact the Pensions Bill team, by email at pensions.bill@dwp.gsi.gov.uk or by phoning the Bill Manager, Michael Cordy, on 02074497508.

Yours sincerely

[Signature]

David

Lord Freud
Minister for Welfare Reform