15th January 2015

Dear Mike,

Pension Schemes Bill 2014-15

At Committee stage on 7 January, I agreed to write to you about points you raised.

Firstly, I can confirm that there will be a further consultation later this year on how we propose to introduce additional charges and costs transparency. The Financial Conduct Authority will also be consulting on similar new costs and charges transparency requirements in relation to workplace personal pensions. The Government has also committed to consult on whether any additional disclosure of investment related information is necessary for trust-based schemes along the lines suggested in the amendment; this will also take place later in 2015.

You also asked about the powers which currently exist in primary legislation which relate to the issues we debated.

The primary powers available to the government are firstly those broad powers contained in the Pension Schemes Act 1993, which allow the Secretary of State to make regulations in relation to the disclosure of information about occupational and personal pension schemes. Additionally, new powers are available, taken in the Pension Act 2014, to impose requirements relating to the administration and governance of schemes. Furthermore, there are additional powers contained in the Pensions Act 1995 specifically in relation to investment requirements and the content of the statement of investment principles which occupational schemes are required to produce and provide to members on request. For ease of reference the relevant powers and Acts can be summarised as follows:

- **The Pension Schemes Act 1993, Section 113 subsections (1) to (4):** this empowers the Secretary of State to make regulations in relation to occupational and personal pension schemes with respect to keeping prescribed categories of persons informed of various matters such as
scheme constitution, administration and finances, rights and obligations under the scheme, benefits and any other matters appearing to the Secretary of State to be relevant.

- **The Pension Schemes Act 1993, Sections 113(5) and (6) as inserted by section 44 of the Pensions Act 2014.** Section 113(5) makes it mandatory for the Secretary of State to make regulations requiring disclosure of transaction costs in money purchase occupational pension schemes to prescribed categories of persons. Section 113(6) makes it mandatory for the Secretary of State to make regulations requiring the publication of transaction costs and administration charges in money purchase occupational pension schemes.

- **Sections 35 and 36 of the Pensions Act 1995:** in relation to any amendments to the investment requirements (for example general investment duties and content of the Statement of Investment Principles)

- **The Pensions Act 2014, schedule 18:** Powers to impose duties in relation to the administration or governance of any scheme of a prescribed description.

I hope you find this letter helpful. I have copied it to all Peers who spoke during Committee and have placed a copy in the Library.

---

**LORD BOURNE OF ABERYSTWYTH**

Lord German OBE
House of Lords
London
SW1A 0PW