Regulations required as a consequence of the new pension flexibilities

The Pension Schemes Bill is due to receive Commons consideration of House of Lords amendments on Tuesday 24 February. The Bill, will deliver part of the private pensions flexibilities announced in the 2014 Budget, to gives scheme members greater flexibility about how and when they access their pension rights.

To ensure that the new pension flexibilities operate as intended, consequential amendments are required to occupational pension schemes secondary legislation on transfer values, disclosure of information and modification of scheme rules.

This secondary legislation was not subject to a formal public consultation process as was necessary to make these changes in time for 6 April 2015. This will ensure that the legislation operates as intended when they come into force on 6 April 2015.

However, to provide a balance in the absence of a formal consultation, and to ensure that the required changes were informed by stakeholder views and expert knowledge the Department for Work and Pensions established an Industry Working Group in September 2014. This Working Group included arms length bodies, representatives of pension schemes, related associations, and pension lawyers. The Working Group met regularly to discuss the proposed changes to legislation as DWP’s thinking on the policy evolved.

I also provided the pensions industry, on a confidential basis, with sight of the draft regulations to give an overview of the changes that we intend to make to
ensure that the transfer process continues to operate smoothly, and that trustees and managers give scheme members information about their retirement options and the new pensions guidance service from April 2015. As these instruments are now available to members of the pensions industry I want to ensure Parliament is kept informed. I am going to place a copy of the three draft instruments in the House Library alongside publishing the instruments on the www.gov.uk website.

I am copying this letter to the leader of the House.

Please place a draft copy of the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015; the Occupational and Personal Pension Schemes (Disclosure of Information) (Amendment) Regulations 2015; and, the Occupational Pension Schemes (Consequential and Miscellaneous Amendment) Regulations 2015 for deposit in the House libraries.

RT HON STEVE WEBB MP
MINISTER OF STATE FOR PENSIONS