Regulations required as a consequence of the new pension flexibilities

I wrote to you on 19 February 2015 to deposit in the House Library, a copy of three draft instruments relating to transfer values, disclosure of information and modification of scheme rules, as part of the new pension flexibilities introduced by the Pension Schemes Bill 2015.

In that letter, I informed you that these instruments will make required consequential amendments to occupational pension schemes secondary legislation to ensure that the new pension flexibilities operate as intended. I also explained that this secondary legislation was not subject to a formal consultation process because of the need to make changes in time for 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.

As I previously indicated, I provided the pensions industry, on a confidential basis, with sight of the three 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 were made available to members of the pensions industry I wanted to ensure Parliament was kept informed.

I am now writing to you to place a final set of draft regulations in the House library. These regulations are also part of the pension flexibilities package and
will require members who wish to exchange safeguarded benefits for flexible benefits to take 'appropriate independent advice' before trustees can process their request. These regulations also require employers to pay for that advice if they have encouraged the member to do this.

I am going to place a copy of this draft instrument in the House Library alongside publishing the instrument on the www.gov.uk website.

I am copying this letter to the leader of the House. Please place a draft copy of The Pension Schemes Act 2015 (Transitional Provisions and Appropriate Independent Advice) Regulations 2015 for deposit in the House libraries.

[Signature]

RT HON STEVE WEBB MP
MINISTER OF STATE FOR PENSIONS