

The Occupational and Personal Pension Schemes (Disclosure of Information) (Amendment) Regulations 2015

Public Consultation

November 2014

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Introduction

This consultation asks for views on the draft Occupational and Personal Pension Schemes (Disclosure of Information) (Amendment) Regulations 2015, which propose to amend the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (SI 2013/2734) (the Disclosure Regulations).

The proposed draft regulations make technical amendments to the Disclosure Regulations in order to ensure that those regulations work as intended in relation to the new public service pension schemes which are being introduced from April 2015 under the Public Service Pensions Act 2013. They also include some additional amendments to the Disclosure Regulations which were identified as being desirable.

About this consultation

Who this consultation is aimed at

This consultation is mainly aimed at those administering and managing the public service pension schemes as the substantive amendments do not apply to other schemes. However, we also welcome comments from pension industry professionals, pension schemes, trustees, industry, pension scheme members and member representative organisations, but would be interested in views from any source.

Purpose of the consultation

This consultation seeks views on the attached draft regulations. These are expected to come in to force in April 2015.

Scope of consultation

This consultation applies to England, Wales and Scotland. It is anticipated that Northern Ireland will make corresponding regulations.

Duration of the consultation

The consultation period begins on 3 November 2014 and runs until 28 November 2014. Please ensure your response reaches us by that date as any replies received after this may not be taken into account.

The Government's new Consultation Principles were introduced on 17 July 2012. The new Principles are at <http://www.cabinetoffice.gov.uk/resource-library/consultation-principles-guidance>

As these proposed amendments are limited in scope, are of a technical nature and do not impact on schemes outside the public sector, The Department considers that a 4 week consultation is reasonable.

How to respond to this consultation

Please send your consultation response to:

Paul Needham
Department for Work and Pensions
3rd Floor West, Zone G
Quarry House
Leeds, LS2 7UA

Email: PENSIONS.DISCLOSURECONSULTATION@DWP.GSI.GOV.UK

Please ensure your response reaches us by 28 November 2014.

When responding, please state whether you are doing so as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents, and where applicable, how the views of members were assembled. We will acknowledge your response.

Queries about the content of this document

Please direct any queries about the subject matter of this consultation to:

Paul Needham
Department for Work and Pensions
3rd Floor West, Zone G
Quarry House
Leeds, LS2 7UA

Email PENSIONS.DISCLOSURECONSULTATION@DWP.GSI.GOV.UK

How we consult

Freedom of information

The information you send us may need to be passed to colleagues within the Department for Work and Pensions, published in a summary of responses received and referred to in the published consultation report.

All information contained in your response, including personal information, may be subject to publication or disclosure if requested under the Freedom of Information Act 2000. By providing personal information for the purposes of the public consultation exercise, it is understood that you consent to its disclosure and publication. If this is not the case, you should limit any personal information provided, or remove it completely. If you want the information in your response to the consultation to be kept confidential, you should explain why as part of your response, although we cannot guarantee to do this.

To find out more about the general principles of Freedom of Information and how it is applied within DWP, please contact:

Freedom of Information Team
Caxton House
6-12 Tothill Street
London
SW1H 9NA

Freedom-of-information-request@dpw.gsi.gov.uk

The Central Freedom of Information team cannot advise on specific consultation exercises, only on Freedom of Information issues. More information about the Freedom of Information Act can be found at www.dpw.gov.uk/freedom-of-information

Consultation principles

The consultation is being conducted in line with the new [Cabinet Office consultation principles](#). The key principles are:

- departments will follow a range of timescales rather than defaulting to a 12-week period, particularly where extensive engagement has occurred before;
- departments will need to give more thought to how they engage with and consult with those who are affected;
- consultation should be 'digital by default', but other forms should be used where these are needed to reach the groups affected by a policy; and
- the principles of the Compact between government and the voluntary and community sector will continue to be respected

Feedback on the consultation process

We value your feedback on how well we consult. If you have any comments on the process of this consultation (as opposed to the issues raised) please contact our Consultation Coordinator:

Elias Koufou
DWP Consultation Coordinator
2nd Floor
Caxton House
Tothill Street
London
SW1H 9NA

Telephone 020 7449 7439

E-mail: CAXTONHOUSE.LEGISLATION@DWP.GSI.GOV.UK

In particular, please tell us if you feel that the consultation does not satisfy the consultation criteria. Please also make any suggestions as to how the process of consultation could be improved further.

If you have any requirements that we need to meet to enable you to comment, please let us know.

We will publish the responses to the consultation within 12 weeks of the consultation ending in a report on the consultations section of our website www.dwp.gov.uk/consultations. The report will summarise the responses and the action that we will take as a result of them.

Chapter 1: Exemption from certain information requirements for Public Service Pension Schemes

1. The Public Service Pensions Act 2013 (the 2013 Act) sets out a common framework for the creation of new public service pension arrangements which are due to come into effect in April 2015 for most public service employees (civil servants, teachers, health service employees etc.).
2. The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (SI 2013/2734) (the Disclosure Regulations) set out the information which trustees and managers of occupational and personal pension schemes must give to their members, the timescales for providing such information and the methods that may be used. The Disclosure Regulations apply to public service pension schemes, subject to a number of exemptions. These exemptions apply to unfunded Defined Benefit (DB) public service schemes and to a number of public service schemes made under prescribed legislation (such as the Local Government scheme). Prescribed public service schemes are exempted from the following disclosure requirements:
 - to inform members of modifications to the scheme made by the Pensions Regulator under section 231(2)(a) of the Pensions Act 2004 (regulation 9)
 - to inform members where a scheme is removed from the register of stakeholder pensions (regulation 10)
 - to give members information contained in the scheme's annual report (regulation 12)
 - to give information relating to funding principles, actuarial reports and valuations, recovery plans, payment and contribution schedules, winding up procedures and principles governing investment decisions (regulation 13)
 - to provide summary funding statements (regulation 15).
3. Prescribed public service pension schemes are exempt from providing this specific information due to the particular nature of these schemes which makes the provision of such information unnecessary in terms of member protection.
4. We examined the Disclosure Regulations in light of the 2013 Act, in order to establish whether amendments were necessary to ensure that the appropriate exemptions in those Regulations continued to apply to new schemes made under the 2013 Act and to existing schemes.

5. Our view is that the Disclosure Regulations will continue to correctly exempt the appropriate schemes (namely unfunded DB schemes and certain specified funded DB schemes) from the specified disclosure requirements once the new schemes are introduced in April 2015. **We have however identified that 2 amendments will be required to ensure that potential future schemes continue to benefit from the exemptions and to ensure that legislative references are up to date.**
6. Firstly we have identified a need to amend regulation 4(2)(b) of the Disclosure Regulations to ensure that any future Local Government schemes which are made under section 1 of the 2013 Act will benefit from the exemptions to the Disclosure Regulations. The proposed amendment to regulation 4(2)(b) ensures that both the existing Local Government scheme (which automatically has effect as if it were a scheme under section 1) and also any future Local Government DB schemes (which would be made solely under section 1) benefit from the appropriate exemptions.
7. We have also identified that the reference at regulation 4(2)(c) of the Disclosure Regulations to section 2 of the Parliamentary and other Pensions Act 1987 is out of date. Parliamentary pensions are now provided for under the Constitutional Reform and Governance Act 2010. We have therefore amended regulation 4 to reflect this.

Question 1: Do you agree that the draft regulations exempt the appropriate categories of public service schemes from providing the information at regulations 9, 10, 12, 13 and 15 of the Disclosure Regulations?

Question 2: Are there any other types of information, currently required under the Disclosure Regulations that public service pension schemes should not be required to provide to their members?

Chapter 2: Benefit Statements – Exemption where a “Benefit Information Statement” has been given

8. Regulation 16 of the Disclosure Regulations sets out that where a member has rights that are not money purchase benefits a scheme must provide benefit information to members who request this information. This is limited so schemes only have to provide the information once within a 12 month period of the request having been made.
9. Following on from the 2013 Act the Public Service Pensions (Information about Benefits) Directions 2014 were made and laid in **March 2014** and from 1 April 2015 require public service schemes to provide active members with an annual “benefit information statement”. The content of the required information being identical to the information required by regulation 16 of, and Schedule 5 to, the Disclosure Regulations.
10. As the 2014 Directions overlap with regulation 16 of the Disclosure Regulations the intention is to introduce an exemption so that public service schemes issuing Benefit Information Statements will not need to provide an additional statement under the Disclosure Regulations on request where the member has already been given a Benefit Information Statement in the previous 12 months. That limitation of the number of requests a member can make is consistent with Government policy to reduce burdens on business where appropriate and possible. As the member will have either been sent a paper copy of their Benefit Information Statement, or the scheme will have followed the requirement to ensure electronic access to store, print or provide a paper copy on request of a statement we believe this maintains member protection so the information provided is still available to the member at a later date.
11. We are aware that other types of schemes voluntarily issue regular benefit statements but as this is not a mandatory requirement and schemes can vary the information they choose to include we have not extended the exemption to cover this. We would however welcome views on whether the draft regulations should be extended further to cover this type of scenario.

Question 3: Do you agree that where a public service scheme has issued a Benefit Information Statement under The Public Service Pensions Act (Information about Benefits) Directions 2014 they should be exempt from providing the information at regulation 16 of the Disclosure Regulations where a Benefit Information Statement has been issued to the member within 12 months of the request under regulation 16?

Question 4: Are there any other circumstances or schemes that should also be exempt from issuing on request benefit statements?