



Department  
for Work &  
Pensions

# The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013

Public consultation

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February 2013



# Contents

Introduction.....	4
About this consultation.....	4
How to respond to this consultation .....	5
How we consult.....	6
Chapter 1: Review of the Disclosure of Information Regulations for Occupational and Personal Pension Schemes.....	8
Chapter 2: Consolidation and Simplification of the Disclosure of Information Regulations.....	11
Consolidation .....	11
Removal of some personal pension scheme information requirements.....	11
Simplification.....	12
Chapter 3: Changes to Information to be Disclosed .....	13
Basic information about the scheme .....	13
New requirement on lifestyling information .....	14
Benefit Statements - Defined Benefit Schemes .....	15
Benefit Statements - Defined Contribution Schemes .....	15
Chapter 4: Electronic Communications .....	20
Amendments to existing provisions.....	20
Extension of electronic communications to further regulations .....	21
Chapter 5: Next Steps .....	23
A Principles Based approach.....	23
Guidance.....	24
Wider pensions landscape .....	24
Chapter 6: Summary of Consultation Questions.....	27
Annex A - Table Mapping Existing Regulations to New Proposed Regulations....	29
Annex B – Commentary on Proposed Regulations.....	47
Annex C - Draft Regulations .....	52
Annex D - Impact Assessment.....	53

# Introduction

This consultation asks for views on the draft regulations attached at **Annex C**, which propose consolidation and harmonisation of the principal disclosure of information regulations for occupational and personal pension schemes.

The consultation document outlines the amendments the Department is proposing to make in order to harmonise, simplify and consolidate the regulations which require pension schemes to disclose information to members and others. It also includes simplification of the legislation for basic scheme information, Annual Benefit Statements (ABS) and Statutory Money Purchase Illustrations (SMPI). The current requirements for schemes wishing to use electronic communications are considered alongside an extension of these provisions to additional legislation. The majority of these amendments are permissive with the only exception being a new provision to provide additional information on lifestyling.

## About this consultation

### Who this consultation is aimed at

We welcome comments on the draft regulations from pension industry professionals, pension schemes, trustees, industry, pension scheme members and member representative organisations, but we would be interested in views from any source.

### Purpose of the consultation

This consultation seeks views on the attached draft Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013. These are expected to come in to force in October 2013. Whilst we welcome comments on whether any of these regulations could be reduced further, perhaps with a more principles based approach, we do need to consider that there are minimum European Union (EU) requirements<sup>1</sup> about what information must be disclosed.

We are also interested to hear your views on the accompanying Impact Assessment on the associated costs and benefits of these draft regulations, attached at **Annex D**.

### Scope of consultation

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

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<sup>1</sup> Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision.

## Duration of the consultation

The consultation period begins on 18<sup>th</sup> February 2013 and runs until 14<sup>th</sup> April 2013. 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<sup>th</sup> July 2012. The new Principles are at <http://www.cabinetoffice.gov.uk/resource-library/consultation-principles-guidance>

The Department has already consulted with key stakeholders on similar proposals in 2009 and as part of the Red Tape Challenge focus on private pensions in 2012. As such we consider it appropriate to undertake a formal consultation on these changes for an eight week period.

## How to respond to this consultation

Please send your consultation responses to:

Paul Needham  
Department for Work and Pensions  
Room 3W60  
Quarry House  
Leeds, LS2 7UA

Email: [PENSIONS.DISCLOSURECONSULTATION@DWP.GSI.GOV.UK](mailto:PENSIONS.DISCLOSURECONSULTATION@DWP.GSI.GOV.UK)

Please ensure your response reaches us by 14<sup>th</sup> April 2013.

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  
Room 3W60  
Quarry House  
Leeds, LS2 7UA

Email [PENSIONS.DISCLOSURECONSULTATION@DWP.GSI.GOV.UK](mailto: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@dwp.gsi.gov.uk](mailto:Freedom-of-information-request@dwp.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.dwp.gov.uk/freedom-of-information](http://www.dwp.gov.uk/freedom-of-information)

### The consultation criteria

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:

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information)  
Regulations 2013**

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

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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 before the end of July 2013 in a report on the consultations section of our website [www.dwp.gov.uk/consultations](http://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: Review of the Disclosure of Information Regulations for Occupational and Personal Pension Schemes.

1. Existing DWP legislation requires private pension schemes to disclose prescribed information to members and others (e.g. widows, widowers and civil partners). The principal disclosure requirements are contained within three different sets of regulations. These are:
  - The Personal Pension Schemes (Disclosure of Information) Regulations 1987 (Statutory Instrument (SI) 1987/1110);
  - The Occupational Pension Schemes (Disclosure of Information) Regulations 1996 (SI 1996/1655); and
  - Regulations 18 – 18E of The Stakeholder Pension Schemes Regulations 2000 (SI 2000/1403).
2. The Disclosure of Information Regulations specify information that must be disclosed in certain situations, who it must be disclosed to and the timescales for doing so. Certain provisions require information to be disclosed at prescribed times e.g. on joining a scheme or on an annual basis. Additional information must be disclosed at the request of the member. The information that must be sent as a matter of course allows the member to engage with their pension should they wish to. The information that is available on request acts as a safeguard to the member, should they wish to engage further, or if they wish to challenge a decision made by the pension scheme. Some of the information is required by the EU as part of the IORP<sup>2</sup> directive.
3. The disclosure regulations give members (and others) a consistent level of information regardless of which scheme they are a member of and allow schemes the legal certainty of knowing what they need to provide, how, to whom and when.
4. The aim of this review is to support the reinvigorating workplace pensions strategy<sup>3</sup>, and ensure that these disclosure regulations:
  - provide clarity for schemes on their regulatory requirements (including meeting EU directives where appropriate);
  - provide consistency of requirements across the different scheme types both for the purpose of scheme administration and protection for members. We want members to get consistent information from their pension

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<sup>2</sup> Institutions for occupational retirement provision - Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision

<sup>3</sup> Reinvigorating Workplace Pensions, published 22<sup>nd</sup> November 2012 - <http://www.dwp.gov.uk/publications/policy-publications/reinvigorating-wplace-pensions.shtml>

## Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013

- schemes, whatever type of scheme it is, so that they recognise and can engage with what they are being told;
- ensure individuals can access the information they need in order to understand and manage their pension provision; and
  - fit with the changing pension landscape and overall workplace pension reform agenda.
5. The disclosure regulations were introduced some twenty five years ago and have been significantly amended over this time to take account of evolving policy changes. This has led to the situation they are in today where there are many duplications, discrepancies and gaps between the occupational and personal pension scheme requirements. Scheme trustees, administrators and managers may currently need to send different pieces of information at different times, depending on the type of scheme the member belongs to, which means that keeping track of the information to be disclosed can be onerous.
  6. In 2009<sup>4</sup>, DWP launched a consultation to seek views on reviewing the existing disclosure regulations. That consultation proposed a “principles based” approach to the disclosure of information. A number of respondents to the recent Red Tape Challenge “Spotlight on Pensions” indicated they would welcome a move to such an approach. The idea is therefore considered in more detail in Chapter 5 of this consultation document.
  7. Another question in the 2009 consultation asked whether respondents supported the consolidation of the general disclosure provisions into one set of regulations - rather than the existing position where disclosure requirements affecting occupational, personal and stakeholder pension schemes are dealt with separately.
  8. Many respondents were in favour of the consolidation proposal, others requested that the scope went even further and be extended to also harmonise the requirements across the different pension scheme types. The draft regulations aim to harmonise the requirements where possible, although it is recognised that in some cases there are good reasons for differing disclosure requirements and these have been retained.
  9. With the introduction of automatic enrolment, more individuals will be enrolled into a workplace pension than ever before, and many are likely to be a member of more than one scheme throughout their working lives. We have therefore revisited the information members need during their pension lifecycle with the aim of aiding good member outcomes whilst limiting burdens on business.
  10. Due to the numerous amendments made since their introduction the regulations can be difficult to navigate in parts. The structure of the regulations has therefore also been considered to make it easier for users to administer.

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<sup>4</sup> <http://www.dwp.gov.uk/docs/pen-scheme-disclosure-reqts-consultation.pdf>

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

11. The proposed amendments are covered in more detail in Chapters 2 to 4 below, along with **Annex A** that provides a table mapping the proposed regulations against the existing regulations, **Annex B** containing a commentary of the new regulations and **Annex C** containing the draft regulations. It is expected these regulations will come into force in October 2013. We do not anticipate this to be an issue as the majority of the changes are permissive. We would however welcome views on the timing, particularly on the introduction of the new lifestyling provision set out in Chapter 3.
12. As part of the review we did consider the consolidation and harmonisation of the disclosure requirements within the Stakeholder Pension Schemes Regulations. However DWP considers that it is in the best interests of stakeholder schemes to retain the existing rules on disclosure separate for those schemes, and that the whole of the framework for stakeholder schemes is best placed in one set of regulations as is currently the case to identify them as a discrete identifiable product. Identical amendments, as set out in Chapters 3 and 4, are however being made to the Stakeholder Pension Schemes Regulations in relation to disclosing information electronically and for Statutory Money Purchase Illustrations (SMPIs), to ensure that the proposed amendments apply to all types of scheme.
13. We did also consider other suggestions that were raised during previous consultations but have decided not to take these forward. The key ones being:
- consolidation of all pension scheme disclosure requirements – there was a mixed response on this with no real perceived benefit, other than perhaps administrative, but only in some schemes dependant on how they were set up; and
  - simplifying specific information requirements, e.g. the annual report and the summary funding statement which must be sent annually to members of defined benefit schemes – pension schemes are required under EU law to prepare an annual report. This is an important source of information for scheme members and it is right that members should be able to see a copy on request. No changes are proposed to the summary funding statement as one of the key features of the scheme funding requirements, which replaced the minimum funding requirement under the Pensions Act 2004, was greater transparency to ensure that members were better informed about the funding arrangements for their scheme. The summary funding statement is a key feature of this objective.

**Question 1:** Do you agree these amendments meet the overall aims?

**Question 2:** Do you foresee any problems with these regulations coming into force in October 2013, particularly relating to the new provision on lifestyling?

# Chapter 2: Consolidation and Simplification of the Disclosure of Information Regulations

## Consolidation

14. The most obvious change we are proposing to make is to consolidate the occupational and personal pension regulations into one place, harmonising the requirements where possible. This includes removal of a significant number of the personal pension scheme requirements.

**Question 3:** Do you agree with the scope of the consolidation?

## Removal of some personal pension scheme information requirements

15. Personal pensions differ from occupational pensions in that they are individual pension arrangements bought by savers. As “regulated products”, the selling and marketing of personal pensions (as with any financial services product) are regulated by the Financial Services Authority (FSA) under the Finance Services and Markets Act 2000.
16. The FSA have disclosure requirements<sup>5</sup> which set out the information that pension providers must provide to members. When compared to the personal pension disclosure regulations, many duplications and discrepancies between the two sets of requirements have been identified.
17. After discussion with the FSA, much of the disclosure legislation which applies to personal pensions has not been carried forward into the draft regulations. For example we are removing the requirements to provide information on the constitution of the scheme and basic scheme information. We do however think certain information for personal pension schemes is still required. The requirements that we propose to carry forward into the new regulations are:
- removal of a stakeholder scheme from the stakeholder register;
  - annual benefit statements, including SMPs;
  - pre-retirement information;
  - benefits on the death of a member or beneficiary; and
  - information when the scheme has begun wind-up.

<sup>5</sup> Financial Services Authority Conduct of Business Sourcebook

We feel this will provide clarity and certainty to pension providers and will remove regulatory duplication, whilst also ensuring that members receive all the information they need.

**Question 4:** Where our requirements duplicate FSA rules do you agree they should be removed? If not, which provisions should be retained and why?

## Simplification

18. The proposed consolidated disclosure of information regulations have been restructured to ensure that they are clearer and easier to use, grouping related information requirements together where possible and adding appropriate headers.
19. Some of the wording in the draft regulations has also been amended in order to simplify and clarify the requirements. **Annex A** has been added to help readers map the existing regulation against the new structure and associated draft regulations, where applicable.
20. The terminology used to describe how the information must be sent has been amended to provide consistency throughout the regulations. For example, where the existing regulations require schemes to 'give', 'furnish', 'send' or 'provide' information to members, the consolidated regulations now use the term 'give' throughout to avoid confusion.
21. Where possible, the timescales for disclosing information have been harmonised across all scheme types. The majority of these proposed changes will not require schemes to provide information any earlier than is currently required. Therefore this will not require schemes to make any changes to existing procedures unless they wish to do so. For example, the time for providing information about retirement benefits has been simplified and aligned between personal and occupational schemes at 4 months before the member reaches retirement (or the date the trustees or managers expect the member to access their rights).

**Question 5:** Do you consider the new structure of the regulations to be a useful change?

## Chapter 3: Changes to Information to be Disclosed

**Question 6:** Do you think any of the changes mentioned in this Chapter will have any unintended consequences?

### Basic information about the scheme

22. We wish to ensure that members of pension schemes have all the information they need at the time they need it. With this in mind, the regulations which outline the content of the basic scheme information have been reviewed and we propose to make amendments in various ways, for example:

- We propose to remove the regulations requiring personal pension schemes to provide basic scheme information where these duplicate information required to be provided under the FSA Conduct of Business (COB) rules.
- We propose to omit some of the provisions e.g. occupational schemes are no longer required to offer Additional Voluntary Contributions (AVCs), therefore the requirement to include information on AVCs as part of the basic scheme information has been removed (currently required in Paragraph 8 of Schedule 1 to SI 1996/1655).
- We also propose to update the requirement to disclose whether the scheme is tax approved or whether an application for a scheme to become tax approved is under consideration (currently required by para 9 of schedule 1 to SI 1996/1655). We are proposing that schemes should simply disclose whether they are a tax registered scheme.
- We propose to simplify the rules about when occupational schemes must give information about material alterations to basic scheme information. This information must now be given as soon as possible after the decision to make the change has been made.
- We propose to amend some of the information to be provided. For example, a previous consultation response mentioned that the existing requirement to provide information on transfers out to new members of occupational schemes is too detailed. This has been amended so that only basic information needs to be provided to new members and that more detailed information is available on request.

**Question 7:** Are you content with the changes we propose to make to the basic scheme information which schemes are required to disclose? Full details of the changes are set out in **Annex A and B**.

## New requirement on lifestyling information

23. Many private pension schemes, particularly those which operate on a defined contribution basis, operate a system of “lifestyling”. Lifestyling is where the money invested closer to retirement is moved gradually to investments that have less chance of going down in value in the short term. For example, the money could be moved from shares into cash. Lifestyling tends to occur from around 5-10 years before the member’s retirement, but may take place earlier than this.
24. Currently, stakeholder pension schemes are required to use lifestyling for members who have not made a choice as to how their fund should be invested. They are also required to *inform* members that their funds are being invested on a lifestyle basis. Conversely, although many personal pension schemes and defined contribution occupational pension schemes do provide lifestyling; there is no requirement for schemes to notify members of this.
25. We hope this new requirement to inform members about lifestyling will support the idea proposed in the Reinvigorating Workplace Pensions Strategy that information should be tailored to the life stage of the individual. A notification to inform or remind members nearing retirement about lifestyling should be useful to members. For example, lifestyling might start at age 55 on the assumption that the member will retire at 60. But if the member now does not intend to retire until age 65, they may lose out on a number of years where they would have been content for their funds to have continued to be invested in equities, for example, rather than being moved to bonds. If the member is made aware that lifestyling takes place at a certain age, they could advise the scheme of their intention to retire at a later date and then take advantage of a longer period of equity investment.
26. We understand that some defined contribution schemes which use lifestyling as part of the default fund already include an explanation of the process within the basic scheme information. A requirement to do this has been included within the draft regulations.
27. Draft regulation 6 extends the requirement to occupational and personal defined contribution schemes which use lifestyling to notify members and prospective members as part of the basic scheme information that a lifestyling strategy will be applied to their accrued rights, and draft regulation 18 requires that such information is provided again at the time that their funds are subjected to lifestyling. Our intention is that schemes can choose to include this notification along with existing communications, for example along with an annual statement.
28. Not all pension schemes use traditional lifestyling, for example, some schemes may use ‘target date funds’ whereby members contributions are invested in a fund specifically designed to achieve the investment aims by a specific year. We intend that this provision will cover all types of lifestyling, including any that are introduced in the future.

**Question 8:** Do you agree that this requirement would be beneficial to members and that the wording of this requirement would cover all forms of lifestyling, including target date funds?

## Benefit Statements - Defined Benefit Schemes

29. Defined Benefit (DB) schemes are required to provide a benefit statement following a request from the member, rather than on an annual basis as with Defined Contribution (DC) schemes. This has not been amended.
30. Various amendments however have been made to simplify the regulations for DB schemes' statements. For example, to make it easier for schemes to deal with flexible retirement, this now allows schemes to use the most appropriate retirement date when preparing the statement rather than prescribing that a specific scheme pension age must be used. This also removes the prescriptive requirement to provide the amounts of benefits payable at pension age calculated within 'one month' of the statement been issued, allowing schemes longer time to process the statement. **Annex B** includes a list of the amendments.

## Benefit Statements - Defined Contribution Schemes

31. SMPIs were introduced in 2003 for all money purchase pension schemes. The SMPI is part of an annual statement which provides personalised information to members about their pension fund, including an illustration of the likely projected pension at retirement. Figures are given in today's prices so that members can make effective decisions about the spending power of their projected pension and whether they need to save more for their retirement.
32. The legislation is supported by actuarial guidance - Technical Memorandum 1 (TM1), maintained by the Financial Reporting Council (FRC) [formerly by the FRC's Board for Actuarial Standards (BAS)]. This provides schemes with the methods and assumptions used for calculating the projected pension. TM1 ensures a consistent approach to DC pension projections.
33. In 2010, the BAS consulted on the TM1 and the effectiveness of SMPIs. Responses suggested that the aim of providing consistent illustrations had been met but that scheme members do not necessarily engage with the SMPI or use the information it contains to make decisions about saving for their retirement. It was suggested that SMPIs are too long, contain too many caveats and that members don't engage with them. It was noted however that SMPIs are valuable as they give recipients an indication of their likely pension in today's prices.

34. DWP consulted on proposals to simplify SMPI's in 2010 which would remove much of the accompanying information. The majority of respondents welcomed the approach taken, commenting that the proposals were pragmatic and would:

- give schemes flexibility to provide more concise statements; and
- give members the opportunity to access more detailed information if they chose to do so.

A few of the consultation responses noted however that no changes had been made to the actual calculation assumptions used in the statements.

35. The regulations were designed to provide an illustration on a broadly consistent basis across all DC pension schemes to allow members to plan for retirement. We feel this information is still important for members, particularly with the introduction of automatic enrolment and more members saving into a pension, many for the first time. It is important to ensure that the SMPI is appropriate for this new cohort of savers as well as existing scheme members and provides them with information that they need to make appropriate retirement provision.

36. Having considered the SMPI further, the attached regulations include revised proposals that aim to:

- ensure that SMPIs are not only appropriate for existing scheme members but also for the new cohort of savers introduced by automatic enrolment – providing them with information that they need to make appropriate retirement provision;
- attain closer harmonisation with projections provided to members of personal pension schemes at point of sale, as required by the FSA; and
- give schemes greater flexibility to tailor the statements to the needs of their members by allowing for a more personalised approach.

### ***SMPI annuity assumptions***

37. SMPI regulations require that schemes must provide an illustration using certain assumptions, including that the member:

- will take an annually increased annuity; and
- normally<sup>6</sup> take a dependents pension of 50% of the member's pension.

We are aware however that most members actually select a flat rate and single life annuity at retirement. The assumptions set in the regulations therefore do not always provide the best reference for all members when planning for retirement. This is also compounded with the abolition of contracting out for defined contribution schemes from 2012, where members with protected rights are no longer required to purchase a dependents annuity.

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<sup>6</sup> Regulations allow for some choice in certain circumstances

## Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013

38. Along with this we are conscious that for personal pension scheme members the annual projection can differ from their projection received at point of sale causing confusion to members. One of the main differences being that the point of sale projections can be personalised using different assumptions about the form of the pension which the member will choose.
39. The draft regulations remove the specific annuity requirements from the legislation – so schemes do not need to assume the purchase of an annually increased annuity and a dependents pension. This will allow schemes to provide projections that relate more to the choices that the member may actually make at the point of retirement and can be tailored to the individual member. These changes to the SMPI legislation are designed to allow for more meaningful annual projections for the member.
40. Another way of doing this is to allow for the inclusion of a cash lump sum within the illustration. We have not amended the regulations to specifically include a cash lump sum as we think the legislation already allows for this. Our intention is that schemes can include a lump sum in the illustration should they wish to do so.
41. Schemes can choose the most appropriate assumptions for their members based on their knowledge of their individual situation. The draft regulations allow members to choose their own assumptions should they wish to do so. Whilst it would be preferable for members themselves to make this choice, it is recognised that due to current low levels of engagement, many members are unlikely to do so - at least in the short term.
42. Should a pension scheme decide to change the assumptions used in the SMPI, they must inform the member that they have done so and explain the effect this has on the illustration. This communication can be included with the revised SMPI and so should not incur material additional costs.
43. We feel this decision is also supported by the current FSA proposal to move to inflation adjusted projections that will aid with further harmonisation with SMPs, and more meaningful projections for personal pension members.
44. This also fits with the FRC's recent amendments to the TM1 to ensure appropriate investment rates are used, tailoring the projection, rather than using a specified maximum rate of 7% as a default.

### ***Future contributions***

45. Existing legislation specifies the assumptions used by occupational schemes when calculating the projection relating to future contributions. The assumption for 'deferred members' is that no contributions will be made by the member after the illustration date and for active members contributions will be assumed to be made up to the member's retirement date. The intention is that if contributions are expected after the illustration date, schemes should be able to take these into account within the projection, even if the member is not

in employment. However, this should only be for contributions that form part of a regular series of payments which are expected to continue until the member's retirement date. 'One-off' payments should be excluded. We do not think that the existing legislation for occupational schemes allows for taking account of 'voluntarily contributions' once a member's pensionable service has ceased. The proposed regulations have been amended to allow for this and the definition currently used in the personal pension regulations has been adopted.

### ***'Real-time' statements***

46. The existing regulations allow for schemes to provide real-time statements should they wish to provide this facility for their members. However there is a current requirement that schemes must send a notification to members if any updates are made to the information. We do not think there is a need to send a notification each time this type of statement is updated, therefore we have added a specific amendment to take this into account. The minimum requirement is for a notification to fit with the annual statement.

### ***Other amendments***

47. There are a number of smaller amendments, all meant as simplification or as a result of re-structuring of the regulations, these are highlighted separately in Annex A and we would welcome any comments where you feel there would be any unintended consequences of the changes.

### ***Other issues***

#### **Extending timing of first statement**

48. The existing regulations require that schemes provide a statement within 12 months of either the end of the scheme year (for occupational schemes) or becoming a member (for personal pension schemes). We have received representation that with the easements introduced for automatic enrolment (e.g. postponement) for some members these requirements may not work well for the first statement.
49. We are aware that schemes often have a set date for running a statement, and it appears that in some instances that date could fall in between the member being enrolled and contributions being paid, meaning that 'nil' statements would need to be issued to some members who haven't commenced paying into the scheme at the point of calculation. The extended deadline for employers to pay over contributions deducted during the joining and opt out window has thrown this more sharply into focus. We would welcome your comments on the most appropriate timing of the member's first statement.

### Stakeholder pension schemes

50. The above amendments have also been made to the corresponding Stakeholder Pension Regulations. As part of this review we have also considered full harmonisation of the more prescriptive SMPI Stakeholder Pension Regulations but at present we feel the amendments to Stakeholder Pension SMPI requirements, made in 2010, are sufficient to allow schemes to simplify their statements whilst still retaining the policy ethos of a succinct identifiable transparent product. We will however keep this under review.

### Relevant guidance - Technical Memorandum (TM1)

51. The TM1 will continue to specify the methods and assumptions used for SMPIs. The amendments made in the draft regulations will result in changes being made to TM1 and we are therefore liaising with the FRC to ensure a consistent approach is taken with any necessary amendments. This includes potential changes to the TM1 to allow for more personalised statements and the inclusion of a cash lump sum, which most members take.

### Simple, concise statements

52. We have maintained the simplifications introduced in 2010 to allow schemes to signpost to certain information and allow for more concise statements. We think that for many savers their annual benefit statement and SMPI may be more relevant, engaging and accessible if it were presented in a short, simple letter or email with signposting to further detail on a website. We would welcome your views on whether you think the regulations do allow for concise statements, for example a 2/3 page document. If not, could you advise what specific elements of the regulations you think may prevent this?

**Question 9:** Do you agree that the changes will allow schemes to provide more personalised statements?

**Question 10:** Do you think changes need to be made to the timing of the first SMPI to take account of the introduction of automatic enrolment? If so what timing do you think would be the most appropriate?

**Question 11:** Do you think the regulations allow for concise statements? If not which elements of the regulations prevent this?

# Chapter 4: Electronic Communications

## Amendments to existing provisions

### Background

53. In December 2010, the existing disclosure legislation was amended, in order to allow pension schemes to communicate electronically<sup>7</sup> with their members and others. This provision was applied to the requirements contained within the three main sets of disclosure regulations, for occupational, personal and stakeholder pension schemes.

54. The policy intention of the 2010 amendments was to future proof the regulations and allow schemes to use modern methods of communication. Being able to communicate electronically with members and others, for example through email or by providing information on a website also enables schemes to reduce the costs associated with communications. Various stakeholders have sought clarification about the policy intention of the current regulations, as they have found them complex and difficult to understand. We have therefore set out below an explanation of what the regulations require.

### Disclosure by website

55. Schemes have the option to disclose information to members electronically – although members can notify their scheme in writing that they do not wish to receive information or documents electronically. In such cases, the scheme must use an alternative method of communication (by delivering information by post, for example).

56. The electronic methods of disclosure allow schemes to make information and documents available on a website. For example, if a member requests a copy of the scheme's Statement of Investment Principles (SIP), the scheme may fulfil this request by placing it on a website. If the SIP is the *first* website disclosure to the member, the scheme must send a notification to the member's last known postal or electronic address, with the following information:

- a statement that the information or document is available on the website;
- the website address;
- details of the location on the website where the information or document may be read; and
- an explanation of how the recipient may read the information or document.

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<sup>7</sup> The Occupational, Personal and Stakeholder Pension Schemes (Disclosure of Information) (Amendment) Regulations 2010 (SI 2010 / 2659)

57. If schemes disclose *subsequent* information to the member via a website, they must also send a notification to the member's last known postal or electronic address. The notification must include a statement that the information or document is available on the website.

58. If the scheme has given 3 letters to the recipient (either by hand, or by sending them to his last known postal address), and each of those letters:

- asks the recipient to send their electronic address to the scheme trustees and;
- states that (s)he can request in writing not to receive information or documents electronically;

then schemes can disclose information via a website *without* sending the notification outlined in the preceding paragraphs if:

- the recipient has not made a request not to receive information electronically; and
- the scheme trustees do not have the recipient's electronic address.

## Amendment to the website disclosure provision

59. The draft regulation relating to website disclosure has been amended with a view to clarifying the policy outlined above.

60. We have also amended the existing provision so that the third notification requires schemes to inform the member that if they do not provide an email address or notify the scheme they wish to opt out, they will not receive any further communications by post.

**Question 12:** Are you content with the proposed changes in relation to electronic forms of communication?

**Question 13:** The existing regulations require certain information (such as the constitution of the scheme) to be available for inspection at a reasonable location. Do you consider that this method of communication is still appropriate given the availability of electronic communications?

## Extension of electronic communications to further regulations

61. We have identified additional DWP regulations which require private pension schemes to disclose information to their members. These regulations currently

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

specify how the information must be sent, e.g. that the information must be sent 'by post' or 'in writing'.

62. Information which must be sent 'in writing' would include e-mail but would not cover other forms of electronic communication e.g. through making the information available on a website. These further regulations have therefore been amended to allow schemes to use the full range of electronic communications should they wish to do so.

63. Some disclosure requirements do not specify how the information must be sent, i.e. they may state that information must be given but do not specify the method. These regulations have nevertheless been amended, in order to provide certainty to pension schemes that they may use these communication methods if they wish to.

**Question 14:** Do you consider that all the appropriate legislation has been included in the draft regulations?

## Chapter 5: Next Steps

### A Principles Based approach

64. The Government believes it is important to make the proposed changes to the occupational and personal pension schemes disclosure of information regulations. The changes introduced by the proposed legislation will streamline the structure of the regulations, harmonise the terminology used, update outdated references and clarify the electronic communications rules. These changes will also maintain a level of prescription that provides clarity for schemes regarding the information they are required to provide to their members, whilst ensuring members receive consistent information, irrespective of which scheme they are in.
65. These changes support our reinvigoration objective to increase transparency and build trust, confidence and engagement in pension saving as the norm. It is important that such changes are introduced as soon as possible to ensure the disclosure regime is fit for purpose following the introduction of automatic enrolment – October 2013 is the earliest such changes can be introduced.
66. The Government does recognise that some respondents to the Red Tape Challenge “Spotlight on Pensions” would welcome a move to a more principles based approach to the disclosure of information. If such an approach were to be adopted, we envisage that a single high level principle could be incorporated into legislation, along the following lines:
- “Members should be given sufficient information that allows them to understand the benefits to which they will be entitled and any other relevant information that will enable each member to make decisions in his or her best interests”*
67. As such we are keen to hear views on a move to this approach. A proposal to adopt such an approach would be subject to consultation.
68. A principles based approach was outlined in a DWP consultation in 2009, and a link to that consultation is provided for information on what form this may take.

<http://www.dwp.gov.uk/docs/pen-scheme-disclosure-regts-consultation.pdf>

**Question 15:** Would you welcome further consideration of a “principles based” approach to the disclosure of information as outlined in the 2009 consultation?

## Guidance

69. Ensuring people receive clear and consistent information from their pension schemes is one way to improve consumer trust, confidence and engagement in pensions. In addition, attention to small details of presentation has been proven to be essential when asking people to engage with pensions for the first time – a dense paragraph or an authoritarian-sounding word has the capacity to lose the attention of the reader quickly and consign pensions to the “too difficult” category<sup>8</sup>.
70. As many people are likely to change jobs several times during their lifetime (on average, an individual will work for 11 employers during their working life (*Making Automatic Enrolment Work review, 2010, linked below*<sup>9</sup>)), they may become members of many different pension schemes during their working lives. It is therefore important that consistent information is given by all pension schemes if this information is going to support people in taking personal responsibility for saving and planning for later life.
71. The proposed regulations are intended to provide a straightforward framework for schemes to engage and inform their members but may not address all the issues highlighted above. Previous consultation responses on the Occupational Pension Disclosure Regulations have indicated that Best Practice guidance to support the disclosure regulations would be welcomed.
72. We support the recent proposals by the FSA<sup>10</sup> and The Pensions Regulator<sup>11</sup> in this area and feel these should greatly aid schemes, if adopted, in improving member communications. We are giving consideration to whether additional guidance would also be helpful to further support this regulatory framework. This would align with guidance produced by the FSA and Regulator; about developing the principles for pension’s information set out in “Reinvigorating Workplace Pensions”.<sup>12</sup>

**Question 16:** We would like views on whether you feel any additional guidance would be useful to support the disclosure regulations and if so the type of details this should contain.

## Wider pensions landscape

73. There are a number of other initiatives that will also impact on disclosure in the future and we are monitoring these to consider potential future amendments. The key ones are listed in the paragraphs below.

<sup>8</sup> As evidenced within *Automatic enrolment – information for workers, qualitative research: DWP Communications Research Report 2* published in 2011 <http://www.dwp.gov.uk/docs/comms-res-auto-enrol-0711.pdf>

<sup>9</sup> <http://www.dwp.gov.uk/policy/pensions-reform/workplace-pension-reforms/automatic-enrolment/>

<sup>10</sup> <http://www.fsa.gov.uk/static/pubs/cp/cp12-29.pdf>

<sup>11</sup> <http://www.thepensionsregulator.gov.uk/doc-library/regulating-work-based-dc.aspx>

<sup>12</sup> <http://www.dwp.gov.uk/docs/reinvigorating-workplace-pensions.pdf>

## Amendment to definition of “money purchase benefits”

74. The Government introduced an amended definition of money purchase benefits in the Pension Act 2011. This definition was introduced to provide clarity following the uncertainty introduced by the ruling in the *Bridge Trustees v Houldsworth* and another case.
75. Since making the provisions in the Act the Department has been working through the implications of the new definition. As part of this we have been holding discussions with the pensions industry and considering how the transitional arrangements will work.
76. We will hold a full consultation on the proposed amending legislation, which it is anticipated will come into force later this year.

## Transparency of charges

77. Transparency in the disclosure of charges can play a key role in ensuring that employers and individuals are aware of and understand the impact of charges on member outcomes. The Government's Default Fund Guidance published in May 2011 made clear that default funds used for automatic enrolment should disclose a breakdown of overall charges, making clear the effect that charges will have on member outcomes.
78. We are engaging closely with the Office of Fair Trading on their market study on the changing dynamics of the UK workplace pensions market which will examine how information on charges is made available to savers.
79. The Association of British Insurers (ABI) recently launched an agreement on the disclosure of costs and charges to members, with signatories committing to disclosing all charges and costs in a consistent way to members, and, a road map for implementation. The National Association of Pension Funds (NAPF) has also led an industry-wide group to develop a Code of Practice on the transparency of charges for employers, which it published in November.
80. We are monitoring charges across the pension industry and will take action if they become excessively high or if members are required to pay for anything which doesn't deliver them a pension benefit. We have powers under the 2008 Pensions Act to set a cap on charges and disqualify schemes from being used for automatic enrolment.
81. The Department is working with the NAPF and the ABI to include material about how best to describe charges to pension scheme members in the DWP Automatic enrolment and pension's language guide. This will build on the Joint Industry Code of Conduct<sup>13</sup> developed to explain pension charges to employers.

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<sup>13</sup> Pension Charges Made Clear: Joint Industry Code of Conduct. NAPF November 2012

82. We are awaiting the outcome of the wider work on transparency of charges before considering what the specific disclosure requirements in this area should be.

## Automatic transfers of small pension pots

83. Automatic enrolment has started, with the first workers being put into a workplace pension scheme by their employer allowing them to benefit from their employer's contribution. This will see many people saving into a pension for the first time, and make pension saving the norm. But as people move jobs they may leave behind small pension pots in their old employers' schemes. They may lose track of these or never consolidate them to achieve a decent retirement income.
84. This is why we are working closely with interested parties to see how a system where small pension pots automatically transfer to the new scheme when a person changes job, might work in practice. As part of this work we are exploring how to achieve an effective balance between ensuring individuals affected by automatic transfer receive an appropriate level of information, whilst minimising burdens on business. We aim to bring forward the relevant primary legislation, which will set out our broad powers, as soon as practicable.

## Defined Ambition

85. As outlined in the Reinvigorating Workplace Pensions strategy, DWP are exploring the scope for a new category of 'Defined Ambition' (DA) pensions to complement the existing DC and DB structures that dominate the market. It will be important that disclosure requirements in relation to such schemes ensure members have clear, key information about what the scheme is promising to deliver, as well as whether there are any discretionary or conditional elements, and how those will be delivered. We think this is consistent with the principles embodied in this disclosure consultation document and will support our reinvigoration objective to increase transparency and build trust, confidence and engagement in pension saving as the norm. We will be exploring disclosure in relation to DA in further detail as part of the on-going DA policy development work.

**Question 17:** Are there any other issues that impact on disclosure that you feel need to be considered?

# Chapter 6: Summary of Consultation Questions

## **Chapter 1: Review of the Disclosure of Information Regulations for Occupational and Personal Pension Schemes**

1. Do you agree these amendments meet the overall aims?
2. Do you foresee any problems with these regulations coming into force in October 2013, particularly relating to the new provision on lifestyling?

## **Chapter 2: Consolidation and Simplification of the Disclosure of Information Regulations**

### **Consolidation**

3. Do you agree with the scope of the consolidation?

### **Removal of some personal pension scheme information requirements**

4. Where our requirements duplicate FSA rules do you agree they should be removed? If not, which provisions should be retained and why?

### **Simplification**

5. Do you consider the new structure of the regulations to be a useful change?

## **Chapter 3: Changes to Information to be Disclosed**

6. Do you think any of the changes mentioned in this Chapter will have any unintended consequences?

### **Basic information about the scheme**

7. Are you content with the changes we propose to make to the basic scheme information which schemes are required to disclose?

### **New provision on lifestyling information**

8. Do you agree that this requirement would be beneficial to members and that the wording of this requirement would cover all forms of lifestyling, including target date funds?

### **Benefit Statements and Statutory Money Purchase Illustrations (SMPIs)**

9. Do you agree that the changes will allow schemes to provide more personalised statements?
10. Do you think changes need to be made to the timing of the first SMPI to take account of the introduction of automatic enrolment? If so what timing do you think would be the most appropriate?
11. Do you think the regulations allow for concise statements? If not which elements of the regulations prevent this?

## **Chapter 4: Electronic Communications**

### **Amendments to existing provisions**

12. Are you content with the proposed changes in relation to electronic forms of communication?
13. The existing regulations require certain information (such as the constitution of the scheme) to be available for inspection at a reasonable location. Do you consider that this method of communication is still appropriate given the availability of electronic communications?

### **Extension of electronic communications to further regulations**

14. Do you consider that all the appropriate legislation has been included in the draft regulations?

## **Chapter 5: Next Steps**

### **A Principles Based approach**

15. Would you welcome further consideration of a “principles based” approach to the disclosure of information as outlined in the 2009 consultation?

### **Guidance**

16. We would like views on whether you feel any additional guidance would be useful to support the disclosure regulations and if so the type of details this should contain.

### **Wider pension landscape**

17. Are there any other issues that impact on disclosure that you feel need to be considered?

## Annex A - Table Mapping Existing Regulations to New Proposed Regulations

Occupational Pension Schemes (Disclosure of Information) Regulations		
Existing regulation	Equivalent new regulation	Notes
<b>Regulation 1</b>		
Citation, commencement and interpretation		
1(1) – Commencement	Regulation 1(1) and (2)	Interpretation now in separate regulation 2  <b>Additional provision to revoke Schedule 6, Para 2 and 3 from 2015. This replaces the requirement in SI2011/1245</b>
1(2) – Interpretation	Regulation 2 - Interpretation	
1(3) – General provisions about numbering and schedules	Not carried forward	Not required in revised drafting
<b>Regulation 2</b>		Description of schemes moved from regulations to Schedule 1
Application of these regulations		
2(1)	Regulation 4 (1) to (4)	
2(2)	Schedule 1, Para 1(3)	
2(2A)	Schedule 1, Para 1(2)(c)	
2(3)	Schedule 1, Para 1(3)(d)	
2(3A) – Dis-applies regulation 5(5) for stakeholder schemes	Regulation 4(3)	
2(4)	Regulation 4(6)	
<b>Regulation 3</b>		
Constitution of scheme		Re-structured and simplified
3(1)	Regulation 11(1)	
(1)(a)	Schedule 3, Para 1 to 4	
–	Regulation 11(1)(b)	<b>New rule limiting disclosure to once in 12 month period</b>
3(2) – Timing	Regulation 11(2)	
(2)(a) and (b) – How information made available	Regulation 11(3) and regulation 28 Regulation 28(c) (charges for postage etc.)	
3(3) – Categories of person	Regulation 11(1)	Now refers to relevant person
3(4) – Translation	Regulation 11(4)	

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Occupational Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
3(5)	Regulation 11(5)	
3(6) – Reference to Act or SI	Not carried forward	We have not carried this provision forward into the new regulations. <b><i>We would appreciate comments from respondents regarding whether this provision should be retained.</i></b>
<b>Regulation 4</b>		
Basic scheme information about the scheme		
4(1)	Regulation 6(1)	
4(2)	Regulation 6(2)	
4(3)	Regulation 6(3)	Now refers to relevant person rather than member, beneficiary, spouse or trade union representative
4(4) – Different information applies etc	Regulation 6(6)	
4(5) – Material alterations	Regulation 8	
4(5A)	Regulation 8(5)	
4(6)	Regulation 4(8)	
<b>Regulation 5</b>		
Information to be made available to individuals		Re-structured for ease of navigation
5(1) – General provision stating information shall be furnished in writing in accordance with following paragraphs	Not carried forward	Not replicated due to re-structuring
5(2) – Accessing benefits at retirement	Regulation 20(1) and (2)	Simplified. Information now given before or up to one month after benefit becomes payable
5(3) – Changes to benefit in payment	Regulation 22	Simplified. Information now only to be given before the decision to change has effect where possible or within a month of the decision having effect
5(4) – On request statement of benefits for non money purchase benefits	Regulation 16	Re-structured
5(5) – Annual statement of benefits and pension illustration for money purchase benefits	Regulation 17(1), (2), (3)(a) and (5)	Re-structured
5(5ZZA) – Information given with the pension illustration		Re-structured – no change to the policy intent, i.e. that the information

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Occupational Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
(a) that must accompany it  (b) also further information that needs to be given	Regulation 17(3)(a)  Regulation 17(4)	in the existing regulation described as:  a) 'accompanying' the pension illustration - should be sent together with the pension illustration; and  b) 'further' information - must be sent when a pension illustration is given but if the scheme chooses can be provided separately e.g. via signposting  To achieve this intent these are now separated into different 'Parts' of the schedule, i.e. Part 2 (pension illustration with certain statements) and Part 3 (further statements then can be provided separately).
5(5ZA) – Exemption conditions for pension illustrations	Regulation 17(6)	Simplified. The exemption relating to members with accrued rights less than £5,000 has been re-structured and the exemption for illustrations before 6 <sup>th</sup> April 2003 has been removed, as this is no longer thought necessary.  <b><i>We would appreciate any comments where respondents feel there could be unintended consequences with these changes.</i></b>
5(5ZB) – Status of AVC's for pension illustrations	Regulation 17(7)	
5(5ZC) – Information required where exemptions apply but pension illustration provided	Regulation 17(3)(b)	Simplification to take account of re-structuring changes with information into different Parts. The policy intention is still the same and where schemes choose to provide a pension illustration even if an exemption applies they must send the information in Schedule 6, Part 2 and 3.
5(5ZD) – Methods of giving information that must accompany the pension illustration and also further information that needs to be given	Not carried forward	Removed due to re-structuring changes with regulation (5ZZA) and (5ZD) are met by re-structuring the information required into separate Parts. The intention is that each Part should be provided as in regulation 26 and 27 which specifies the methods of giving information.

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Occupational Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
5(6)(a) and (b) – Money Purchase schemes information in advance of retirement to members	Regulation 19(1) to (4)	<b>Change in timescale – information now to be given at least 4 months before (to harmonise personal and occupational pension requirements). Occupational pension requirements are currently 6 months before.</b>
5(6A)(a) and (b) – Money Purchase schemes information in advance of retirement to pension credit members	Regulation 19(1) to (4)	<b>New regulation now includes members and pension credit members</b>
5(7)	–	Revoked from 6.4.13
5(7ZA)	–	Revoked from 6.4.13
5(8)(a) and (b) – Information on death of member	Regulation 21(1) to (5)	
5(9) – Transfer credits information on request	Regulation 14(1) to (4)	
5(10)(a) to (d) – Beginning winding up	Regulation 24 and Schedule 8	
5(11) – Removal of stakeholder scheme from register	Regulation 10(1) to (4)	
5(12) – Engaged in winding up	Regulation 25	
5(12ZA) – Summary funding statements	Regulation 15	
5(12AA) – Report by regulator regarding winding up	Regulation 24(8) and Schedule 8, Part 4	
5(12AB) – Modifications by the regulator	Regulation 9	
5(12A) – Sectionalised schemes in wind up	Regulation 24(6) and (7)	Simplified wording
5(13) – Information to be accompanied by statement that further information is available and address etc	Regulation 4(8)	<b>New overarching requirement for information to be accompanied by statement giving address where requests for further information should be sent</b>
5(14) – Winding up commenced after April 1997	Regulation 24(2)	
5(15) – Determination of time a scheme commences winding up	Regulation 24(5)	
5(16) – Disapplication of regulation 5(12ZA) (actuarial valuations) to Money Purchase	Regulation 15(2)(b)	

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Occupational Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
benefits		
<b>Regulation 6</b>		
Availability and content of annual report		
6(1) – Annual reports	Regulation 12(1)	
6(2) – Disapplication of regulation in relation to public service pension scheme	Regulation 4(2)	
6(3) – Availability of latest annual report	Regulation 12(3) and (4)	
6(4) – Availability of older annual reports	Regulation 12(3) and (4) and 26 to 28	
6(5) – Annual reports for scheme years prior to April 1997	Not carried forward	This relates to scheme years ending before 6.4.97. We are not proposing to carry this forward. <b>We would appreciate views on whether the omission of this would have any unintended consequences</b>
6(6) – Categories of person to whom the annual report is given	Regulation 12(2)	Information to be provided to a relevant person as defined, which includes same categories as in regulation 6(6).
6(7) – Statement that further information available on request	Regulation 4(8)	<b>New overarching requirement for information to be accompanied by statement giving address where requests for further information should be sent</b>
<b>Regulation 7</b>		
Availability of other documents		
7(1) – Other documents to be made available on request	Regulation 13	
(a) – statement of funding principles	Schedule 3, Para 8	
(b) – actuarial valuation	Schedule 3, Para 9 and 10	
(c) – recovery plan	Schedule 3, Para 11	
(ca) – payment schedule	Schedule 3, Para 12	
(d) – statement of funding principles	Schedule 3, Para 13	
(e) – winding up procedure	Schedule 3, Para 14	
7(2) – Public service scheme exemption	Regulation 4(2)	
7(3) – How regulation 7 information is made available	Regulation 13(2) and (3) and Regulation 28	

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Occupational Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
7(4) – To whom the regulation 7 information is given	Regulation 13(1)	Information to be provided to a relevant person as defined, which includes same categories as in regulation 7(4)
7(5) – Statement that further information available on request	Regulation 4(8)	<b>New overarching requirement for information to be accompanied by statement giving address where requests for further information should be sent</b>
<b>Regulation 8</b> Limited disclosure requirements		
8(1) and (2) – Limited requirements for non tax registered schemes etc	Regulation 7 and Schedule 2, Part 2 and 3	
8(3) – To whom the information is given	Regulation 7(2) and (3)	
8(4) – Written statement that other information available	Regulation 4(8)	<b>New overarching requirement for information to be accompanied by statement giving address where requests for further information should be sent</b>
<b>Regulation 9</b> Recognised trade Unions		
9	Regulation 3	No change
<b>Regulation 10</b> Service of information and documents by a scheme		
10(1) (a) – By post (b) – By email or website	Regulation 26(2)(a) Regulation 26(2)(b)	
10(2) – Requests that information not provided electronically	Regulation 26(3)	
10(3) – E communications designed for access and print	Regulation 26(4)	
10(4) – Transitional rule	Regulation 26(5)	
10(5) – Written notice mentioned in (4)	Regulation 26(6)	
10(6) – Relevant information	Not carried forward	Not needed due to rewording
<b>Regulation 10A</b>		

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Occupational Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
Service of information and documents to a scheme		
10A	Not carried forward	Not relevant as these regulations are about information from schemes to members
<b>Regulation 10B</b> Provision of information on a website		
10B(1) – Applicable regulations for disclosure by website	Not carried forward	All information may now be disclosed by this method. Regulation 27(1) is general introduction to the website information regulation.
10B(2) – First information on a website	Regulation 27(2)	
10B(3) – What notification at (2) must include	Regulation 27(3)	
10B(4) – Subsequent information	Regulation 27(4)	
10B(5) – Notification in (4)	Regulation 27(5)	
10B(6) – 3 strikes	Regulation 27(6)	
–	Regulation 27(7)	<b>New provision to limit the notifications required where changes to information in Regulation 17, required annually</b>
10B(7) – Meaning of recipient	Regulation 27(8)	
<b>Regulation 11</b> Civil Penalties		
11	Regulation 5	No change
<b>Regulation 12</b> Revocations		
12	Regulation 29	This regulation revokes the current Occupational and Personal Pension Schemes Disclosure of Information regulations
<b>Schedule 1</b> Basic Information About the Scheme		
Para 1 – Categories of eligible persons.	Schedule 2, Para 1	Para 1 and 3 combined and simplified
Para 2 – How eligible members are admitted	Schedule 2, Para 2	Simplified

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Occupational Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
Para 3 – Conditions of eligibility	Schedule 2, Para 1	Para 1 and 3 combined and simplified
Para 4 – Period of notice to terminate pensionable service	Schedule 2, Para 12	
Para 5 – Re-entering pensionable service	Schedule 2, Para 13	
Para 6 – How employers contributions calculated	Schedule 2, Para 8  Regulation 4(7)	Para 6 and 7 combined and simplified. <b>Now requires a summary of contributions payable by employer and member</b>  <b>NEST specific requirement regarding maximum amount of contributions included at regulation 4(7)</b>
Para 7 – How members contributions calculated	Schedule 2, Para 8	Para 6 and 7 combined and simplified. <b>Now requires a summary of contributions payable by employer and member</b>
Para 8 – AVCs	Not carried forward	Schemes no longer required to provide AVC facilities
Para 9 – Tax approval	Schedule 2, Para 5	Tax registered now changed to tax approved
Para 10 – Relevant employments	Schedule 2, Para 11	
Para 11 – Normal pension age	Not carried forward.	New Para 15 now requires information about benefits under the scheme, which includes the requirement to give information about when benefits are payable.
Para 12 – Benefits and how calculated	Schedule 2, Para 14(a) (b) and (e)	
Para 12A	–	Revoked from 6.4.12
Para 13 – Whether pensions may be increased once payable	Schedule 2, Para 14(d)	
Para 14	–	Revoked from 6.4.12
Para 15 – Whether survivors benefits payable	Schedule 2, Para 14(f),(g)	No longer separate requirement for survivors – included in the information to be provided under new regulation 15
Para 16 – Conditions for payment of benefits	Schedule 2, Para 14(f)	
Para 17 – Benefits payable only on discretion	Schedule 2, Para 14(a) and (f)	Not carried forward as such, but included in new wording for Para

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Occupational Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
		15(a) and (f)
Para 18 – Short title of Act etc	Schedule 2, Para 6	<i><b>We are considering removing this provision and would appreciate views on whether the removal of this provision would have any unintended consequences.</b></i>
Para 19 – Transfers out (a) to (c) – Employment terminates before NPA/cash equivalents	Schedule 2, Para 3 and 4	Not carried forward in full, but part in newly worded Para 3 and 4. <b>New provision included requiring a statement that further information on transfers out is available on request</b>
Para 20 – Cash equivalents	Schedule 2, Para 7 and para 15 schedule 3	
Para 21 – Cash equivalents and additional benefits	Not carried forward verbatim but see Schedule 3, Para 15 and 16	Part of the simplification of information about transfers covered in new Para 3 and 7. <b>A statement is to be given stating that further information about transfers is available on request.</b>
Para 22	Not carried forward	Part of the simplification of information about transfers covered in new Para 3 and 7. <b>A statement is to be given stating that further information about transfers is available on request.</b>
Para 23 – Annual report on request	Schedule 2, Para 15	
Para 24	–	Revoked from 6.4.05
Para 25 – Internal resolution of disputes	Schedule 2, Para 16	
Para 26 – Statement that TPAS will answer queries	Schedule 2, Para 9(a)	
Para 27 – Statement that Ombudsman can investigate	Schedule 2, Para 9(b)	
Para 28 – Statement that TPR can intervene	Schedule 2, Para 17 and 18	
Para 29	Regulation 4(8)	<b>New overarching requirement for information to be accompanied by statement giving address where requests for further information</b>

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Occupational Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
		<b>should be sent</b>
<b>Schedule 2</b>		
Information to be Made Available to Individuals		
Para 1	Schedule 7, Para 6	
Para 2 and 3	Schedule 7, Para 7	
Para 4  (a) – Amounts of benefits for active members (b) – Amounts of benefits for deferred members & date pensionable service ended (c) – Further information for active, deferred and pension credit members	Schedule 5, Para 1 and 2  Schedule 5, Para 7 and 8  Schedule 5, Para <ul style="list-style-type: none"> <li>• 10,</li> <li>• 4, 5,</li> <li>• 3, 9, 6,</li> <li>• 11 and 12 respectively</li> </ul>	General re-structuring to aid with identification of each member type; and simplified to:  a) provide more flexibility, removing reference to providing a calculation within 'one month' of the statement being given  b) add in Paragraph 2(c) to provide the flexibility of an alternative retirement pension age and not specifically the normal pension age under the scheme  <b><i>We would appreciate any comments where respondents feel there could be unintended consequences with this change.</i></b>
Para 5  Amount of member contributions; and  Contracting-out contributions, with DOB and scheme contact details when contracting-out	Schedule 6, Para 1  Schedule 6, Para 2	Re-structured  To note from 6th April 2015 Para 2 will be revoked to take into account the abolition of DC contracting-out (SI 2011/1245 refers)
Para 6  (a) – Value of members accrued rights  (b) - Member transfer cash equivalent	Schedule 6, Para 4  Schedule 6, Para 5	Re-structured, now includes cross referencing for pension credit members
Para 6ZA  (1) – Amount of pension illustration  (2) – Calculation of pension illustration	Schedule 6, Para 6  Schedule 6, Para 7	Re-structured  Cross referencing to the use of annually increased and dependent

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Occupational Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
		annuity assumptions removed
(3) – Assumptions about contributions in pension illustration	Schedule 6, Para 8	Harmonisation with the personal pension definition of the assumptions on future contributions and also contains the definition for a 'non-contributory' member. <b>For occupational schemes this now means a scheme can use any expected future voluntary contributions, where appropriate, to be taken into account when calculating the pension illustration. We would appreciate any comments where respondents feel there could be unintended consequences with this change.</b>
(4) – Assumptions about annuities in pension illustration	Not carried forward	<b>Requirement to use annually increased and dependents annuity assumptions have been removed. We would appreciate any comments on whether schemes will adopt a different assumption and feel this change would be of benefit to members.</b>
(5) – Exemption on annuity assumptions in pension illustration	Not carried forward	As the requirement to use dependent annuity assumptions has been removed, this exemption is no longer necessary and therefore removed.
(6)(a), (c), (e), (f), (j) and (k) – Information to accompany pension illustration	Schedule 6, Paras 9-14	Re-structured – moved to Part 2 to be in the same Part as the pension illustration. To have the intent all this information must be provided together.
(7)(a) to (d) – Further information to be given on pension illustration	Schedule 6, Paras 15-17	Re-structured into Part 3 to have the intent that this information can be provided separately to Part 2. Also: <ul style="list-style-type: none"> <li>Although the requirement to provide annually increased and dependents annuities has been removed we have retained the requirement for schemes to provide a statement on what the annuity assumptions are that are actually chosen. [Schedule 6, Para 17(b)]; and</li> </ul>

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Occupational Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
		<ul style="list-style-type: none"> <li><b>If schemes decide to change the assumptions they use in the pension illustration, they will need to provide a statement on the changes they have made [Schedule 6, Para 17(c)].</b></li> </ul> <p><b><i>We do not anticipate these will require a significant burden to schemes and will in most instances be already good practice but would welcome any comments on whether respondents feel these are useful to members.</i></b></p>
Para 6AA (a) – Value of pension credit member accrued rights (b) – Pension credit member transfer cash equivalent	Not carried forward  Not carried forward	As the definition of 'member' also contains a 'pension credit member' this paragraph is not required. 'Pension Credit' members are included within Schedule 6, Para 4 and 5.
Para 6A	–	Revoked from 6.4.05
Para 7(1) – Options available  Para 7(2) to (5) – Information on annuities	Regulation 19(2)  Schedule 7, Part 1	Re-structured and simplified
Para 8	–	Revoked from 6.4.13
Para 8A	–	Revoked from 6.4.12
Para 9	–	Revoked from 6.4.12
Para 10	Not carried forward	This information was required by regulation 5(7), which is being revoked from 6.4.13, so not carried forward into the new regulations.
Para 11 – Options on death of member	Schedule 7, Para 8 and 9	
Para 12 – Provisions for increasing survivors benefits	Schedule 7, Para 10	
Para 13 – Transfer credits in exchange for cash equivalent	Schedule 3, Para 15(a)	
Para 14 – Transfer credits in exchange for transfer payment	Schedule 3, Para 15(b)	
Para 15 – Action to establish liabilities	Schedule 8, Paras 6, 7 and 8	

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Occupational Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
Para 16 – Estimate of benefits from pension age or death	Schedule 8, Para 17	
Para 17 – Summary of whether assets are adequate	Schedule 4, Para 1	
Para 18 (a) – Summary funding statement (b) – Subsequent summary funding statement	Schedule 4, Para 2 Schedule 4, Para 3	
Para 19 – Estimate of solvency	Schedule 4, Para 4	
Para 20 – Recovery plan	Schedule 4, Para 5	
Para 21	Schedule 4, Para 6 and 7	
Para 22	Schedule 4, Para 8 and 9	
<b>Schedule 3</b>		
Information to be Included in Annual Report		
Para 1 to 16	Schedule 3, Para 17 to 33	Existing provisions replicated apart from Para 16 (see below)
Para 16 – Employer related investments	Schedule 3, Para 32 and 33	<b>Re-structured and additional paragraph included to ensure amendments made from 6.4.11 by SI2011/673 incorporated and to give multi-employer schemes flexibility about the information they provide.</b>

<b>Personal Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
<b>Regulation 1</b>		
Citation, commencement and interpretation		
1(1) to (3)	Regulation 1 and 2	Interpretation in separate regulation 2
<b>Regulation 2</b>		
Schemes to which regulations 3 to 6 do not apply		
2	Schedule 1, Part 2	
<b>Regulation 2A</b>		
Limited exemption for stakeholder		

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Personal Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
pension schemes		
2A	Regulation 4(3) and 4(5)	
<b>Regulation 3</b> Constitution of scheme		
3(1) to (4)	Not carried forward	Removed as duplicated with FSA COBS
<b>Regulation 4</b> Basic scheme information about a scheme		
4(1) to (8)	Not carried forward	Removed as duplicated with FSA COBS
<b>Regulation 5</b> Information to be made available to individuals		
5(1)	Regulation 4(4)	
5(2) – Annual statement of benefits and pension illustration for money purchase benefits	Regulation 17(1), (2), (3)(a) and (5)	Re-structured
5(2ZA) – Information given with the pension illustration (a) – That must accompany it (b) – Also further information that needs to be given	Regulation 17(3)(a) Regulation 17(4)	Re-structured – no change to the policy intent i.e. that the information in the existing regulation described as: a) ‘accompanying’ the pension illustration - should be sent together with the pension illustration; and b) ‘further’ information - must be sent when a pension illustration is given but if the scheme chooses can be provided separately e.g. via signposting To achieve this intent these are now separated into different ‘Parts’ of the schedule, i.e. Part 2 (pension illustration with certain statements) and Part 3 (further statements then can be provided separately).
5(2A) – Exemption conditions for pension illustrations	Regulation 17(6)	Simplified. The exemption relating to members with accrued rights less than £5,000 has been re-structured and the exemption for illustrations before 6 <sup>th</sup> April 2003 has been removed, as this is no longer thought necessary.

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Personal Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
		<i><b>We would appreciate any comments where respondents feel there could be unintended consequences with these changes.</b></i>
5(2B) – Information required where exemptions apply but pension illustration provided	Regulation 17(3)(b)	Simplification to take account of re-structuring changes with information into different Parts. The policy intention is still the same and where schemes choose to provide a pension illustration even if an exemption applies they must send the information in Schedule 6, Part 2 and 3.
5(2C) – Methods of giving information that must accompany the pension illustration and also further information that needs to be given	Not carried forward	Removed due to re-structuring changes with regulation (2ZA) and 5(2C) are met by re-structuring the information required into separate Parts. The intention is that each Part should be provided as in regulation 26 and 27 which specifies the methods of giving information.
5(3)	Regulation 19(1)	
5(4)	–	Revoked from 6.4.12
5(5)	Regulation 21(1)	
5(6)	–	Revoked from 6.4.12
5(7)	–	Revoked from 6.4.12
5(7A) – Stakeholder scheme removed from register	Regulation 10(1) to (4)	
5(8) – Wind-up	Regulation 23	<b>Timescales changed from 4 weeks to 1 month for consistency</b>
5(9)	–	Revoked from 6.4.13
5(9A)	–	Revoked from 6.4.13
5(10)	Regulation 4(8)	<b>New overarching requirement for information to be accompanied by statement giving address where requests for further information should be sent.</b>
<b>Regulation 6</b>		
Availability of other information		
6(1) to (5)	Not carried forward	<b>Not carried forward as we consider this duplicates FSA COBS. We would appreciate</b>

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Personal Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
		<i>comments on this approach.</i>
<b>Regulation 7</b>		
Service of information and documents by a scheme		
7(1)		
(a)	Regulation 26(2)(a)	
(b)	Regulation 26(2)(b)	
7(2)	Regulation 26(3)	
7(3)	Regulation 26(4)	
7(4)	Regulation 26(5)	
7(5)	Regulation 26(6)	
7(6) – Relevant information	Not carried forward	Not replicated as not needed due to rewording
<b>Regulation 8</b>		
Service of information, documents and notifications to a scheme		
8	Not carried forward	Not relevant as these regulations are about information from schemes to members
<b>Regulation 9</b>		
Provision of information on a website		
9(2)	Regulation 27(2)	
9(3)	Regulation 27(3)	
9(4)	Regulation 27(4)	
9(5)	Regulation 27(5)	
9(6)	Regulation 27(6)	
–	Regulation 27(7)	<b>New provision to limit the notifications required where changes to information in Regulation 17, required annually</b>
–	Regulation 27(8)	<b>New regulation definition of “recipient”</b>
<b>Schedule 1</b>		
Basic Information About the Scheme		
Para 1 to 15	Not carried forward as duplicates	<b>We consider that this will remove duplication which currently exists</b>

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Personal Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
	FSA COB	<b>between the regulations and the FSA COBS. We would appreciate comments on this approach.</b>
<b>Schedule 2</b>		
Information to be Made Available to Individuals		
Para 1 Amount of member contributions; and Contracted out contributions	Schedule 6, Para 1  Schedule 6, Para 3	Re-structured  To note from 6th April 2015 Para 3 will be revoked to take into account the abolition of DC contracting-out (SI 2011/1245 refers).
Para 2 (a) – Value of accrued rights (b) – Transfer cash equivalent	Schedule 6, Para 4 Schedule 6, Para 5	Re-structured
Para 2A (1) – Amount of pension illustration (2) – Calculation of pension illustration  (3) – Assumptions about contributions in pension illustration (4) – Assumptions about annuities in pension illustration  (5) – Exemption on annuity assumptions in pension illustration  (6)(a), (c), (e), (f), (j) and (k) – Information to accompany pension illustration  (7)(a) to (d) – Further information to be given on pension illustration	Schedule 6, Para 6  Schedule 6, Para 7  Schedule 6, Para 8  Not carried forward  Not carried forward  Schedule 6, Paras 9 to 14  Schedule 6, Paras 15 to 17	Re-structured  Cross referencing to the use of annually increased and dependent annuity assumptions removed Now contains the definition for a 'non-contributory' member.  <b>Requirement to use annually increased and dependents annuity assumptions have been removed. We would appreciate any comments on whether schemes will adopt a different assumption and feel this change would be of benefit to members.</b> As the requirement to use dependent annuity assumptions has been removed, this exemption is no longer necessary and therefore removed. Re-structured – moved to Part 2 to be in the same Part as the pension illustration. To have the intent all this information must be provided together. Re-structured into Part 3 to have the intent that this information can be provided separately to Part 2. Also <ul style="list-style-type: none"> <li>Although the requirement to provide annually increased and dependent annuities has been</li> </ul>

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

<b>Personal Pension Schemes (Disclosure of Information) Regulations</b>		
<b>Existing regulation</b>	<b>Equivalent new regulation</b>	<b>Notes</b>
		<p>removed we have retained the requirement for schemes to provide a statement on what the annuity assumptions are that are actually chosen [Schedule 6, Para 17(b)]</p> <ul style="list-style-type: none"> <li><b>If schemes decide to change the assumptions they use in the pension illustration, they will need to provide a statement on the changes they have made [Schedule 6, Para 17(c)]</b></li> </ul> <p><i>We do not anticipate these will require a significant burden to schemes and will in most instances be already good practice but would welcome any comments on whether respondents feel these are useful to members.</i></p>
Para 3 – Options available (wake up)	Regulation 19(2)(a)	
Para 4	–	Revoked from 6.4.12
Para 5 – Options on death of member	Schedule 7, Para 8 and 9	
Para 6 – Increases of survivors benefits	Schedule 7, Para 10	
Para 7 – Accrued rights options	Schedule 8, Para 14	
Para 8 – Accrued rights reduced	Schedule 8, Para 15	
Para 9(1), 9(2) and 9(3)– Contracting out	–	Revoked from 6.4.13
Para 10	–	Revoked from 6.4.12
Para 11	–	Revoked from 6.4.12
Para 12 – DOB and scheme contact details when contracted-out	Schedule 6, Para 3	<p>Re-structured</p> <p>To note from 6th April 2015 Para 3 will be revoked to take into account the abolition of DC contracting-out (SI 2011/1245)</p>
<b>Schedule 3</b>		
Other Information		
Para 1 to 4	Not carried forward	<b>Not carried forward as we consider this duplicates FSA COBS. We would appreciate comments on this approach.</b>

## **Annex B – Commentary on Proposed Regulations**

### **1. Revocations**

The following regulations are being revoked or omitted:

The Occupational Pension Schemes (Disclosure of Information) Regulations 1996.

The Personal Pension Schemes (Disclosure of Information) Regulations 1987.

Regulations 2 and 3 of the Application of Pension Legislation to the National Employment Savings Trust Corporation Regulations 2011.

Regulations 17 and 19 of the Pensions Act 2007 (Abolition of Contracting-Out for Defined Contribution Pension Schemes) (Consequential Amendments) Regulations 2011.

### **2. The draft regulations in detail**

Other than where mentioned, the existing disclosure regime remains in place, but is provided for in a single consolidated statutory instrument for occupational and personal schemes. The following explains the proposed regulations, highlighting where changes to the existing regime have been made:

Regulation 1 – Brings the new regulations into force from 1<sup>st</sup> October 2013, and contains a provision to remove paragraphs 2 and 3 of Schedule 6 from 6<sup>th</sup> April 2015.

Regulation 2 – Provides definitions of the words and terms used in the regulations.

Regulation 3 – Provides that questions about whether an organisation is a recognised trade union must be referred to an employment tribunal

Regulation 4 - Explains which of the regulations apply to Occupational, Personal or Stakeholder Schemes. Also includes a NEST specific requirement to give a statement of the maximum contributions that may be paid in any tax year.

Regulation 5 – Provides for civil penalties to be imposed where a person fails to comply with the requirements set out in these regulations in relation to occupational schemes.

Regulation 6 - Sets out what basic scheme information must be given about Occupational Pension Schemes, to whom the information must be given and the timescales for providing that information. All basic information must be given within 2 months of the date on which the duty to provide it arises. The

## **Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

actual information to be given is listed in Parts 1 and 3 of Schedule 2. The requirement to provide information about AVCs has been removed and the information to be provided as part of the basic information on transfers out has been simplified, with more detailed information available on request.

Regulation 7 – Sets out what basic scheme information must be given by occupational schemes which do not come within the definition in schedule 1 or have been established under the Salvation Army Act 1963. The information is listed in Schedule 2, parts 2 and 3. The information must be given to prospective members if practicable, to members where it has not already been given and to recognised trade unions.

Regulation 8 – Sets out the information which must be given where there is a change which results in a material alteration to basic scheme information. The time for providing this information is as soon as possible after the decision to make an alteration to the scheme, and no later than 3 months after the decision to make the change.

Regulation 9 - Provides that information which explains any modification to the scheme by The Pensions Regulator must be given within 1 month of the modification taking effect.

Regulation 10 – Sets out the information which must be given where a former stakeholder scheme is removed from the register. This information must be provided in the form of a statement that the scheme has been removed from the register, is no longer a stakeholder scheme and is required to start winding up. The information must be given no more than 2 weeks after the trustees are notified that the scheme has been removed from the register.

Regulation 11 – Sets out the information that occupational schemes must give on request in relation to the constitution of the scheme, when that information must be given and to whom. The information to be given is listed in Part 1 of Schedule 3.

Regulation 12 - Sets out the information to be given on request by occupational schemes in relation to the scheme's annual report. The information is listed in Part 2 of Schedule 3

Regulation 13 - Sets out other information which must be given on request, including information about funding principles and actuarial valuations. The information is in Part 3 of Schedule 3.

Regulation 14 – Sets out the information about transfer credits which is to be given on request. The information is in Part 4 of Schedule 3.

Regulation 15 - Sets out the information which must be given by occupational schemes in the form of summary funding statements. This information must be given to all members except excluded persons within a reasonable period following the date by which the valuation report is received by the trustees or managers. The information to be given is listed in Schedule 4.

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

Regulation 16 - Sets out the information which must be given by occupational schemes on request to members about their defined benefit scheme benefits. The information to be given depends on whether the member is an active member, deferred member or pension credit member and is listed in Schedule 5. The information must be given as soon as practicable and no later than 2 months after the request, provided the same information has not been given in the last 12 months.

Regulation 17 - Sets out the information that must be given by schemes in relation to money purchase benefits. The information is listed in Schedule 6. For occupational pension schemes the information must be given no more than 12 months after the end of each scheme year. For personal pension schemes the information must be given no more than 12 months after the date the person became a member of the scheme and each year thereafter.

Regulation 18 – Sets out the information to be given about lifestyling. This is a new provision in relation of occupational and personal schemes. Where a scheme has adopted a “lifestyling” strategy it must give members the required information as part of the basic scheme information and again between 4 months and 2 years before the strategy will be adopted.

Regulation 19 – Sets out the information which must be given by money purchase schemes in relation to accessing scheme benefits before retirement. The timescales for providing this information have been simplified and aligned between schemes at 4 months before the member reaches retirement or the date the trustees or managers expect the member to access their rights or as soon as possible after the member and trustees have agreed the date on which the member will access their rights. The information is listed in Schedule 7.

Regulation 20 - Sets out the information which must be provided by occupational schemes to members on retirement and the timescales. The information is listed in Schedule 7 and the information must be given before or within 1 month of the date the benefit becomes payable.

Regulation 21 – Sets out the information which must be provided where the member or beneficiary has died and the timescales for providing that information. These timescales have been aligned between personal and occupational schemes at as soon as possible but no later than 2 months after the date the scheme managers receive notification of the death. The information which must be provided is listed in Schedule 7.

Regulation 22 - Sets out the information which needs to be given where there are changes to the benefit payable. This information must be given either before or within 1 month of the date on which the decision to change the benefit takes effect. The information is that listed in part 2 of Schedule 7.

## **Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

Regulation 23 – Sets out the information that personal pensions schemes must give when they have begun winding up. This information must be given to all members apart from excluded persons. The notification that the scheme is to be wound up must be given within 1 month of the decision and other information as set out in Schedule 8 must be given within 4 months.

Regulation 24 – Sets out the information that must be given by occupational schemes which have begun winding up. The information at paragraphs 5, 6 and 7 of Schedule 8 must be given to all members and beneficiaries (apart from excluded persons) as soon as practicable and no more than 1 month after the date the scheme begins to wind up and within 12 months of the time it was last given until the scheme is wound up.

Regulation 25 - Sets out the information to be given to members by occupational schemes when winding up is complete. This information is in Schedule 8 and the information must be given as soon as possible after wind up or within 3 months.

Regulation 26 – Sets out the methods and rules by which information may be given. This includes sending the information to the member's last known postal address, sending to the member or beneficiary's e mail address or making the information available on a website. The rules and safeguards regarding sending information by electronic means are also included.

Regulation 27 – Sets out further conditions in relation to giving information on a website, including the requirement to send a notification to the member's last known postal or electronic address when information is made available on a website.

Regulation 28 – Sets out other methods for giving information, such as making it available free of charge for inspection and the circumstances when a charge may be made.

Regulation 29 – Revokes the existing occupational and personal pension schemes disclosure regulations.

Regulations 30 to 32, 34 to 37, 39 to 41 and 43 to 44 – These regulations make a number of amendments to miscellaneous private pension's legislation which contains rules about disclosure, to ensure consistency in relation to the methods for giving information.

Regulations 33, 38, 42, 45 and 46– Contain consequential amendments, revocations and omissions resulting from the introduction of the new disclosure regulations, including amendments to the disclosure elements of the Stakeholder Pension Scheme Regulations (see regulation 38)

Schedule 1- Provides a description of the types of pensions schemes these regulations apply to.

**Consultation - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013**

Schedules 2 to 8 – Contain a description of the information which is to be given in accordance with the regulations in various circumstances.

## **Annex C - Draft Regulations**

- [Draft Pensions Disclosure Regulations \(February 2013\)](#)

## **Annex D - Impact Assessment**

- [Consolidation of pensions disclosure of information requirements Impact Assessment](#)