



Department of Social Security

THE WORK OF THE MAXWELL PENSION FUND TRUSTEES

Reply from the Government to the Second Report
from the Select Committee on Social Security:
Session 1993–94

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REPLY FROM THE GOVERNMENT TO THE SECOND REPORT FROM THE SELECT COMMITTEE ON SOCIAL SECURITY: SESSION 1993-94: THE WORK OF THE MAXWELL PENSION FUND TRUSTEES

I. The Maxwell Pension Schemes

The Government welcome the Social Security Committee's continued interest in the process for recovering assets missing from the Maxwell pension funds and share the Committee's view that the Maxwell Pensioners Trust global settlement initiative currently offers the best possibility for quickly resolving the pension schemes' problems. The Trust initiative presents a real opportunity to curtail expenditure on professional fees and to ease the anxieties of those scheme members whose pensions are still at risk. The Government join the Committee in urging all the parties involved to make every effort to reach a speedy settlement.

The Government's approach to the Maxwell pensioners has been, and continues to be, to alleviate financial hardship to individual pensioners without assuming the responsibilities which belong properly to others. Settlements of Maxwell-related disputes announced earlier this year have resulted in the recovery of some £84 million to the pension schemes, which demonstrates the feasibility of settling these disputes without the delays and costs of litigation. The Government hope that other parties will be encouraged to take a similar course. Sir John Cuckney continues to be available to facilitate alternative methods of dispute resolution in individual cases where this is the preferred course of action.

Although none of the Committee's specifically Maxwell-related recommendations are for action by the Government, Ministers have asked the Maxwell Pensions Unit to take account of the Committee's views during further discussions with the pension scheme trustees and other parties.

II. Recommendations relating to occupational pension schemes generally

The Government are currently considering the detailed recommendations of the Pension Law Review Committee (PLRC). The specific proposals made by the Social Security Committee are relevant to this work, although in some cases the Committee has undertaken to give the matter further consideration and publish conclusions in a subsequent report.

In finalising its response to the PLRC proposals, the Government will take the Social Security Committee's specific proposals fully into account.

