



Department
for Work &
Pensions

Pensions Bill Delegated Powers

Supplementary memorandum from DWP to the
Delegated Powers and Regulatory Reform
Committee

December 2013

Pensions Bill Delegated Powers: Supplementary memorandum by the Department for Work and Pensions

1. This Memorandum is prepared by the Department for Work and Pensions, and is supplementary to the Memorandum dated 31 October. It identifies new or amended delegated powers conferred in the Government amendments to the Pensions Bill that were been tabled on 17 December 2013 for consideration at Lords Committee stage. It explains the purpose of the powers, the reasons why they are left to delegated legislation, the Parliamentary procedure selected for the exercise of these powers and why that procedure has been chosen.

Schedule 16 – Automatic transfer of pension benefits etc: amendment to paragraph 18(2)

Powers conferred on: Secretary of State

Powers exercised by: Regulations (Statutory Instrument)

Parliamentary procedure: Affirmative

2. Paragraph 18 of Schedule 16 provides a Henry VIII power to allow any consequential, supplementary or other related amendments or modifications to be made to other legislation through regulations made under this Schedule. As set out in our initial memorandum in October, this power has been taken in order to deal with any amendments which may be needed to legislation existing at the time the regulations are made to allow for the proper operation of the automatic transfers system. In addition, once the implementation options are decided, it will be necessary to amend existing primary legislation governing the voluntary transfers regime to ensure the two systems are aligned. This power is necessary in order to retain the flexibility to respond to the final implementation approach once agreed.
3. In particular, paragraph 18(2) sets out that the power may be used to amend provisions in the Pension Schemes Act 1993 to allow the Secretary of State to impose a levy on pension schemes for the purposes of meeting expenditure by the Secretary of State (for example, expenditure in setting up and managing a database established under paragraph 9(3) of Schedule 16 should that be necessary). This amendment to paragraph 18(2) is purely technical and would allow the levy to be used for the purposes of meeting expenditure by the HMRC Commissioners. The Government are considering whether HMRC could have a role in the automatic transfers process by being the organisation to whom information is sent and from whom information is provided to schemes needing to find out whether a member has transferable benefits

under another scheme. However the legislation as it currently stands would not allow the levy to be used to pay HMRC as it specifies that the power can only be used to amend the levy provisions to include expenditure by the Secretary of State.

4. The amendment does not alter the power in any other way and nor does it change the level of Parliamentary scrutiny for regulations made under Schedule 16. These will continue to be subject to the affirmative resolution procedure.

Department for Work and Pensions
17 December 2013