



The legislative landscape from 2015

or: “How did we get here and where are we going?”

Robert West

Partner

9 September 2015

Some archaeology

State provision

- Old Age Pension Act 1908
- National Insurance Act 1911

Taxation and reliefs

- Finance Act 1921
- Finance Act 1970: New Code
- Income and Corporation Taxes Act 1988

Social Security legislation

- Protection of early leavers
 - Social Security Act 1973
 - preservation
 - Social Security Acts 1985 and 1986
 - transfer rights
 - revaluation
 - Social Security Act 1990
 - extended scope of revaluation
- Contracting out from 1978
 - Social Security Pensions Act 1975

Some (more recent) archaeology

Consolidation of social security legislation

- Pensions Schemes Act 1993
 - contracting out
 - protection of early leavers
 - powers of Pensions Ombudsman

Welfare Reform and Pensions Act 1999

- Pension sharing on divorce

Pensions Act 1995: the response to Maxwell

- Set up Occupational Pensions Regulatory Authority (“OPRA”)
- Minimum funding requirement
- Extended statutory debt (Section 75)
- Governance and investment related duties for trustees
- Restrictions on scheme amendments (Section 67)

The current(ish) regime

Pensions Act 2004

- Established the Pensions Regulator and Pension Protection Fund
- Introduced scheme specific funding

Finance Act 2004

- Introduced “*tax simplification*” from 6 April 2006

Pensions Act 2008

- Progressively introduced auto-enrolment from 1 October 2012

The more recent stuff

Pensions Act 2011

- Amended definition of “*money purchase benefits*”

Pensions Act 2014

- Introduces new single tier state pension from April 2016
- Abolishing DB contracting out from April 2016
- Enacts powers to restrict charges and introduce quality standards for DC
- Introduces “*pot follows member*” framework for automatic transfer of small DC accounts

The most recent stuff

Taxation of Pensions Act 2014

- Introduced DC flexibilities announced in 2014 Budget
- Changed tax treatment of DC death benefits
- Regulations now cover
 - provision of information to members about new flexibilities
 - restrictions on conversions into post 2015 annuities
 - extension of drawdown to relevant overseas schemes

Pension Schemes Act 2015

- Introduces new categorisation of pension schemes
 - defined benefits schemes
 - shared risk schemes
 - defined contribution schemes
- Affects transfers or conversions from DB to DC
 - regulations exempt cost of advice from NICs

Finance Act 2015

- reduction of lifetime allowance
- establishes framework for secondary annuity market

What's in the pipeline?

- Draft Regulations regarding DC flexibilities
 - permitting payment of annuities to successors or nominees
 - permitting transfers of nominees' and successors' annuities from insurer to insurer
 - requirement to inform members where annuity is subject to lifetime allowance charge
- FSMA Regulated Activities Order
 - governs provision of advice on transfer or conversion from DB to DC (effective 6.4.15)
- Employer debt (Section 75)
 - DWP consultation in relation to non-associated multi-employer DB Schemes
- Investments: environmental, social and governance aspects
 - DWP consultation following Law Commission report
- Regulations consequential on cessation of DB contracting out
 - GMP equalisation issue deferred
- Same sex marriages
 - Innospec was in Court of Appeal on 29 July: outcome may prompt legislation

Any Questions?





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