

Landmark Pension Schemes Bill proceeds to House of Commons

The landmark Pension Schemes Bill, bolstering protections for savers and furthering the government's progress towards net zero greenhouse gas emissions, has cleared its first hurdle in the House of Lords.

The Bill will be taken through the House of Commons later this year.

A headline measure in the Bill is mandating pension schemes to adopt and report against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

This will ensure occupational pension schemes take climate change into account as both a risk and an opportunity, and compel trustees to disclose how they have done so to their members and the public.

Recent government amendments to the Bill take this further, adding a requirement for schemes to take the government's net zero targets into account, as well as the Paris Agreement goals of limiting the rise of average global temperatures, for the purposes of managing their own climate risk.

Minister for Pensions and Financial Inclusion, Guy Opperman said:

With this Bill, we're pushing ahead with our innovative and ambitious pensions agenda, one that delivers for the record numbers of people saving for retirement.

This government has already taken a leading global role in tackling climate change and cutting emissions. The measures introduced through this Bill will help towards protecting the planet and contribute to long-term member outcomes.

The Pension Schemes Bill is a milestone in bringing pensions into the digital age. I am looking forward to guiding it through the House of Commons.

Through the introduction of pension dashboards and steps to protect savers from scams by tightening the rules and guidance required around transfers, the Bill will advance the government's goal of ensuring that savers are provided with the necessary support and information they need to make informed choices about their financial futures.

It will strengthen protections for pension savers by extending the Pensions Regulator's sanctions regime, introducing the power to issue civil penalties of up to £1 million and three new criminal offences, including a new sentence of up to seven years in prison for bosses who run pension schemes into the ground or plunder them to line their own pockets.

These new measures will deter employers from making reckless decisions with their defined benefit schemes and strengthen the Regulator's powers to take efficient and timely actions to protect members' pension pots.

The Bill will also legislate for the creation of a new style of pension scheme. Collective Defined Contribution (CDC) schemes have the potential to increase returns for millions, while being more sustainable for workers and employers.

These details are:

- The Pension Schemes Bill was introduced into the House of Lords on 7 January 2020
- It completed its passage through the House of Lords on 15 July 2020 (today) and will now be introduced into the House of Commons
- We anticipate second reading to be scheduled in due course

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