

2011 No. 1246

PENSIONS

The Pensions Act 2008 (Abolition of Protected Rights) (Consequential Amendments) Order 2011

Made - - - - - *12th May 2011*
Laid before Parliament *16th May 2011*
Coming into force in accordance with article 1(2)

The Secretary of State for Work and Pensions makes the following Order in exercise of powers conferred by section 145(1) and (2) of the Pensions Act 2008(a).

PART 1 GENERAL

Citation and commencement

1.—(1) This Order may be cited as the Pensions Act 2008 (Abolition of Protected Rights) (Consequential Amendments) Order 2011.

(2) This Order comes into force—

- (a) for the purposes of this Part, and Part 2, on 6th April 2012,
- (b) for the purposes of Part 3, on 6th April 2013, and
- (c) for the purposes of Part 4, on 6th April 2015.

[Article 2 amends regulations 4,5, schedules 1 & 2 of S.I. 1987/1110.]

[Article 3 amends regulations 1 & 2 of S.I. 1987/1112.]

[Article 4 amends regulations 3 & 5 to S.I. 1987/1113.]

[Article 5 revokes S.I. 1988/2238.]

[Article 6 amends regulation 9(6) of S.I. 1991/167.]

[Article 7 revokes S.I. 1996/775.]

[Article 8 makes various amendments to S.I. 1996/1172.]

[Article 9 amends regulations 1 & 13A of S.I. 1996/1462.]

[Article 10 revokes regulations 1(2), 3,9, & 16(2) of S.I. 1996/1537.]

[Article 11 amends regulation 1, 5, schedule 1 & 2 of S.I. 1996/1655.]

[Article 12 amends regulation 1(2) of S.I. 1996/1679.]

[Article 13 amends regulation 12 of S.I. 1996/1715.]

[Article 14 amends regulation 1, 12 and schedule 1A of S.I. 1996/1847.]

(a) 2008 c. 30.

- [Article 15 revokes S.I. 1996/1977.]
- [Article 16 omits regulation 9 to S.I. 1996/3126.]
- [Article 17 amends regulation 12 of S.I. 1997/470.]
- [Article 18 amends regulation 1(2) of S.I. 1998/1397.]
- [Article 19 amends regulation 1(2) of S.I. 2000/1054.]
- [Article 20 amends regulations 3 and 13(4) of S.I. 2000/1403.]
- [Article 21 amends regulation 2(3) of S.I. 2005/992.]
- [Article 22 amends regulations 1(2), 7 & 8(5) of S.I. 2006/580.]
- [Article 23 amends regulations 1(3) & 3 of S.I. 2006/759.]
- [Article 24 amends legislation outside the scope of these volumes.]
- [Article 25 amends regulation 44 of S.I. 1996/1172.]
- [Article 26 revokes regulations 1(2) & 16(1) of S.I. 1996/1537.]
- [Article 27 amends schedule 2 of S.I. 1987/1110.]
- [Article 28 amends regulations 1(2) and schedule 2 of S.I. 2000/1403.]
- [Article 29 amends regulation 37 of S.I. 1996/1172.]
- [Article 30 amends regulation 12 of S.I. 1997/470.]

Signed by authority of the Secretary of State for Work and Pensions.

12th May 2011

Steve Webb
Minister of State
Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made under section 145 of the Pensions Act 2008 (c. 30), which provides for amendments to be made in consequence of section 106 of that Act. Section 106 abolishes the protected rights of members of pension schemes contracted-out on a defined contributions basis, from the contracted-out abolition date (the date for the coming into force of section 15(1) of the Pensions Act 2007 (c. 22)).

This Order makes consequential amendments to subordinate legislation and provides for transitional provisions for the 3 years following abolition. The majority of amendments come into force on 6th April 2012.

References to, and provisions which relate to, protected rights are either omitted, or where appropriate, replaced with references to protected rights as they existed prior to the abolition date.

Articles 2 and 11 provide for changes to the disclosure of information requirements schemes must comply with in relation to their contracting-out status. Schemes are required to provide a one-off statement to members of former contracted-out defined contribution schemes explaining the effect of the abolition of protected rights on the status of their accrued rights in the scheme within 4 months of the abolition date, unless they have already provided such information in the 12 months preceding the abolition date. This requirement is omitted from 6th April 2013 by articles 27 and 28.

Article 4 amends the Personal and Occupational Pension Schemes (Abatement of Benefit) Regulations 1987 (S.I. 1987/1113) to provide that, from the abolition date, a contracted-out deduction (from a survivor's additional pension entitlement) of 50% is to be applied to a survivor of a member of a former defined contribution contracted-out scheme in all cases.

Articles 8 and 17 amend the Occupational Pension Schemes (Contracting-out) Regulations 1996 and the Personal Pension Schemes (Appropriate Schemes) Regulations 1997 respectively, and provide for the payment of age-related payments, and minimum contributions to be made to another scheme, or the individual, rather than the former contracted-out scheme, where the earner is no longer a member of that scheme. These provisions are then omitted from 6th April 2015 by articles 29 and 30, when changes to primary legislation provide that all such payments should be made to an individual.

This legislation reduces the costs of administrative burdens on the private sector and civil society organisations. An assessment of the impact has been made; a copy is available in the libraries of both Houses of Parliament, and is annexed to the Explanatory Memorandum which is available alongside the instrument on www.legislation.gov.uk.

