

PENSIONS ACT 2007

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Schedule 4: Abolition of contracting-out for defined contribution pension schemes

Part 2

Pension Schemes Act 1993

324. *Paragraph 47* omits section 8(3), which allows for regulations to be made in relation to the manner in which minimum payments are to be made etc. Minimum payments derive from the contracted-out rebate and are paid to a COMP in respect of earners in contracted out employment.
325. *Paragraph 48* amends section 20(3) to omit a reference to sections that are being repealed by the Act
326. *Paragraph 49* omits section 31 which currently provides for the investment and resources of schemes.
327. *Paragraph 50* omits section 40(b), which currently provides for contributions to be paid by HMRC in respect of earners who are members of COMPs and APPs.
328. *Paragraph 51* omits section 42A, which provides for the calculation of national insurance rebates in respect of contracted-out employment in a COMP.
329. *Paragraph 52* omits section 43, which provides for HMRC to make minimum contributions to an APP which is an earner's chosen scheme.
330. *Paragraph 53* omits section 45, which provides for the calculation of minimum contributions.
331. *Paragraph 54* omits section 45B, which provides a power to make regulations dealing with the verification of ages for the purpose of determining "appropriate age-related percentages", and provides a power to disclose information in connection with contracted-out rebates.
332. *Paragraphs 55, 56, and 57* amend sections 50, 164 and 177 respectively to reflect the repeal of sections 42A, 43 and 45.
333. *Paragraph 58* omits the definition of "minimum contributions" in section 181(1) and omits a reference to section 43 in section 181(4). Minimum contributions are made to APPs, and will therefore no longer be required.
334. *Paragraph 59* amends Schedule 2 (certification regulations) by making a correction to paragraphs 4 and 6 to reflect the fact that section 66 has been repealed, and by amending the list of provisions in paragraph 5 to reflect repeals in this Schedule.
335. *Paragraph 60* amends Schedule 4 (priority in bankruptcy) to reflect the fact that COMPs will no longer exist.