

PENSIONS ACT 2007

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

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

Part 3 – Savings

336. *Paragraph 61* allows HMRC to continue to deal with COMP and APP certificates which are still outstanding at the abolition date.
337. *Paragraph 62* allows HMRC to continue to cancel, vary etc. COMP and APP certificates retrospectively after the abolition date.

Section 16: Dispute resolution arrangements

338. *Section 16* amends section 273 of the PA2004. That section of that Act (pensions disputes) substitutes a new section 50 into the PA1995 and adds new sections 50A and 50B. Section 273 has not yet been brought into force.
339. *Subsections (2), (3) and (9)* make minor textual amendments.
340. *Subsection (4)* inserts subsection (4A) into the new section 50. Subsection (4A) provides trustees or managers of an occupational pension scheme with the option of adopting two-stage dispute resolution arrangements. Schemes must provide for disputes to be considered by the trustees or managers, but the trustees or managers can choose for disputes to be considered by another person first. Any decision by the trustees or managers will confirm or replace any first-stage decision.
341. *Subsection (5)* inserts subsection (5A) into the new section 50. The effect is that the requirements of new section 50(5) apply equally to any first-stage arrangements. This means any decision on an application made under a discretionary first stage must be made and notified to the applicant within a reasonable period.
342. *Subsections (6) and (7)* make minor amendments to make it clear that the requirements of section 50B relating to the dispute resolution procedure apply only to applications to the trustees or managers, and not any discretionary first stage process.
343. *Subsection (8)* substitutes a new version of section 50B(3). The amendment means that certain applications will simply have to be made within a reasonable period rather than in accordance with a fixed six-month time limit. This will give the trustees or managers the flexibility to adopt time limits to suit either one or two stage arrangements.
344. *Subsection (10)* inserts a new subsection (4A) into new section 50B. This amendment makes it clear that a decision by the trustees or managers can be made by one or more of the trustees on behalf of the whole board.

*These notes refer to the Pensions Act 2007 (c.22)
which received Royal Assent on 26 July 2007*

Section 17: Removal of Secretary of State's role in approving actuarial guidance

345. The section introduces *Schedule 5* which amends pensions legislation and other legislation to remove the requirement for the Secretary of State to approve certain actuarial guidance.