 Regulatory Policy Committee	Opinion	
Impact Assessment (IA)	The Occupational and Personal Pension Schemes (Disclosure of information) Regulations 2013	
Lead Department/Agency	Department for Work and Pensions	
Stage	Final	
IA number	DWP00024	
Origin	Domestic	
Expected date of implementation (and SNR number)	6 April 2014 (SNR7)	
Date submitted to RPC	01/07/2013	
RPC Opinion date and reference	13/08/2013	RPC11-DWP-1129(4)
Overall Assessment	GREEN	
<p>RPC comments</p> <p>The IA is fit for purpose. The proposal is deregulatory in nature (an OUT) with an Equivalent Annual Net Cost to Business of -£10.7m, which, based on the evidence provided in the IA, appears reasonable.</p>		
<p>Background (extracts from IA)</p> <p>What is the problem under consideration? Why is government intervention necessary?</p> <p>The Department is undertaking a critical assessment of the current legislation, with the overall intention of ensuring that the regulations provide clarity and, where possible, consistency in order to enable schemes to meet their legal obligations in this area. The ultimate aim will be to ensure that the information that pension savers receive from their schemes is relevant, clear and fits with the changing pension landscape and overall workplace pension reform agenda. The £115.1 million savings to business identified comes from allowing pension providers to meet their disclosure responsibilities through electronic communications instead of paper-based communications or a mixture of electronic and paper-based as now.</p> <p>What are the policy objectives and the intended effects?</p> <p>The purpose of the amendments is threefold:</p> <ul style="list-style-type: none"> - In response to earlier consultations, consolidate into one Statutory Instrument (SI) the main sets of regulations which require private pension schemes to disclose information to members (and others); - To revisit the policy on Statutory Money Purchase Illustrations (SMPs), following calls to harmonise the pension projections; - To align the legislation which allows pension schemes to communicate certain information electronically so that information to members may be communicated in that manner. 		

Comments on the robustness of the OITO assessment

The IA says “*On a One-In, Two-Out methodology the Equivalent Annual Net Cost to Business (EANCB) is calculated to be -£10.7 million (i.e. an annual net benefit of £10.7 million). This is calculated over a 10 year period*”. This net benefit figure arises from an annual saving of approximately £80m per annum (offset by a one-off cost of £500m to set up an electronic scheme) as a result of businesses being given the flexibility to meet their disclosure responsibilities via electronic means. There is also a small cost from additional information requirements of £48k. Based on the evidence provided in the IA, the EANCB appears to be a reasonable estimate.

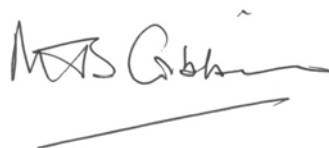
Comments on the robustness of the Small & Micro Business Assessment (SMBA)

The proposal is deregulatory in nature and adequate consideration has been given to the needs of small and micro businesses.

Quality of the analysis and evidence presented in the IA

We note that “*Members will be no worse-off as a result of this change because they will have the right to request continued use of paper-based communications if they so choose; so any scheme members who are unable to access electronically provided information will not be adversely affected by the change.*”

Signed



Michael Gibbons, Chairman