Draft Regulations laid before Parliament under section 15(7) of the Pensions Act 2007, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2011 No. 000

PENSIONS

The Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) (No. 2) Regulations 2011

Made - - - -	*000*
Coming into force - -	*6th April 2012*

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by section 15(5) and (6) of the Pensions Act 2007(**a**).

The Secretary of State has consulted such persons as the Secretary of State considers appropriate in accordance with section 25(3) of that Act.

A draft of these Regulations has been laid before Parliament in accordance with section 15(7) of that Act and has been approved by a resolution of each House of Parliament.

Citation and commencement

1.—(1) These Regulations may be cited as the Pensions Act 2007 (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Amendments) (No. 2) Regulations 2011.

(2) These Regulations come into force on 6th April 2012.

Amendments to the Social Security Administration Act 1992

2.—(1) The Social Security Administration Act 1992(**b**) is amended as follows.

(2) In section 150 (annual up-rating of benefits) in subsection (10A)(**c**), after "a member of", insert "a scheme which was at a time before the abolition date, as defined by section 181(1) of the Pensions Act,".

(3) In section 191 (interpretation – general)—

(a) for the definition of "money purchase contracted-out scheme"(**d**) substitute—

(**a**) 2007 c. 22.
(**b**) 1992 c.5.
(**c**) Section 150(10A) was inserted by section 190 of, and paragraph 28(b) of Schedule 8 to, the Pension Schemes Act 1993 (c.48).
(**d**) The definition of "money purchase contracted-out scheme" was inserted by section 190 of, and paragraph 31(a) of Schedule 8 to, the Pension Schemes Act 1993.

""money purchase contracted-out scheme" is to be construed in accordance with section 181A of the Pensions Act;", and

(b) in the definition of "personal pension scheme"(**a**), for "section 7(4)" substitute "section 181A(6)".

Amendments to the Pensions Act 2008

3. In the Pensions Act 2008(**b**), omit sections 20(2) (quality requirement: UK money purchase schemes) and 26(8) (quality requirement: UK personal pension schemes).

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

Name
Minister of State
Department

Address
Date

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under section 15 of the Pensions Act 2007 (c.22), which abolishes contracting-out of the state additional pension for pension schemes on a defined contribution basis. It provides that contracting-out certificates in relation to money purchase contracted-out schemes and appropriate schemes (as defined by section 181(1) of the Pension Schemes Act 1993 (c.48)) cease to have effect from the abolition date.

These Regulations make consequential amendments to primary legislation as a consequence of the abolition of contracting-out for defined contribution pension schemes.

References to, and provisions which relate to, schemes which are contracted-out on a defined contribution basis are either omitted or, where appropriate, replaced with references to schemes which were contracted-out on that basis.

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.

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(**a**) The definition of "personal pension scheme" was amended by section 190 of, and paragraph 31(d) of Schedule 8 to, the Pension Schemes Act 1993.
(**b**) 2008 c.30.

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