

PENSIONS ACT 2011

EXPLANATORY NOTES

SUMMARY

8. The Act amends the timetable for increasing the state pension age to 66. Under the PA 2007, the increase to 66 was due to take effect between 2024 and 2026. This Act will bring forward the increase so that state pension age for both men and women will begin rising from 65 in December 2018 to reach 66 by October 2020. As a result of bringing forward the increase to 66, the timetable contained in the PA 1995 for equalising women's state pension age with men's at 65 by April 2020 will be accelerated, so that women's state pension age reaches 65 by November 2018.
9. The Act introduces amendments to primary legislation to amend the regulatory framework for the duty on employers to automatically enrol eligible workers into a qualifying pension scheme and to contribute to the scheme. These measures implement recommendations from the *Making Automatic Enrolment Work* review and revise some of the automatic enrolment provisions in the PA 2008.
10. The Act amends existing legislation that provides for revaluation or indexation of occupational pensions and payments by the Pension Protection Fund.
11. The Act defines "money purchase benefits" in legislation relating to pensions. This is in consequence of the judgment of the Supreme Court in *Houldsworth and another v Bridge Trustees & Secretary of State for Work and Pensions*. The Act takes powers to make transitional, consequential or supplementary provision as well as the power to make further amendments to the definition of "money purchase benefits" if necessary.
12. The Act introduces provisions into the current judicial pension schemes to allow contributions to be taken towards the cost of providing personal pension benefits to members of those schemes.
13. Finally, this Act contains a number of measures to correct particular references in the existing body of pensions-related legislation and other small and technical measures to both state and private pension legislation. This includes the following measures:
 - increased flexibility in the date of consolidation of additional state pension;
 - abolition of new awards of Payable Up-rated Contracted-out Deduction Increments (PUCODIs);
 - Financial Assistance Scheme: amendments to legislation concerning transfer of assets, and amount of payments;
 - miscellaneous amendments to Pension Protection Fund legislation;
 - amendments to legislation concerning payments of surplus to employers;
 - amendments to legislation concerning the requirement for indexation of cash balance benefits; and

*These notes refer to the Pensions Act 2011 (c.19)
which received Royal Assent on 3 November 2011*

- corrective amendments to legislation concerning the calculation of debt owing to a pension scheme.