

PENSIONS ACT 2007

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Schedule 3: Increase in pensionable age for men and women

Part 2: Occupational and personal pension schemes

Section 15: Abolition of contracting out for defined contribution pension schemes

270. *Subsection (1)* provides that contracting-out certificates for money purchase occupational pension schemes and appropriate scheme certificates (i.e. contracting-out certificates for personal pension schemes) will be cancelled from the date that this subsection is brought into force (“the abolition date”).
271. *Subsection (2)* defines various terms.
272. *Subsection (3)* introduces *Schedule 4. Parts 1 and 2* of the Schedule contain amendments, mostly to the PSA1993, that arise from the abolition of contracting-out on a defined contribution basis and the removal of certain rules applying to protected rights which will take effect on the abolition date. *Part 2* of the Schedule contains amendments relating to the abolition of contracting-out which can be brought into force at a later date. The purpose of bringing the amendments in *Part 2* of the Schedule into force at a later date is to ensure that the existing statutory mechanisms for HMRC to deal with administrative matters concerning the contracted-out rebate and certification of schemes etc. remain in place until any matters outstanding at the date of abolition of COMPs and APPs have been dealt with before the amendments are brought into force. *Part 3* of the Schedule contains saving provisions relating to amendments made under *Part 1* of the Schedule. As with *Part 2*, the purpose of *Part 3* is to ensure that any administrative matters relating to a scheme’s contracted-out status prior to the date of abolition can be completed after that date.
273. *Subsection (4)* provides for the consequential amendments contained in *Part 1* of *Schedule 4* to have effect from the abolition date (but where any powers to make regulations are conferred by the amendments, such powers may be exercised before that date so as come into force on that date).
274. *Subsection (5)* provides a regulation-making power to allow for consequential etc. provision to be made if required as a result of the abolition of contracting-out for money purchase schemes and personal pension schemes, or as a result of the amendment, repeal or revocation of any protected rights provisions.
275. *Subsection (6)* provides that the power contained in *subsection (5)* can be used to amend, repeal or revoke any provision of any Act or subordinate legislation whenever passed.
276. *Subsection (7)* specifies that any use of the power in *subsection (5)* to modify primary legislation is subject to affirmative resolution.
277. *Subsection (8)* provides that any other use of the power in *subsection (5)* is subject to the negative resolution procedure.