

Update

July 2024

Pension Schemes Bill

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Following the election of the new Labour government earlier this month, the legislative programme as set out in the King's Speech included a Pension Schemes Bill "to strengthen...pension investment".

The Bill's measures include:

- Preventing people from losing track of their pension pots through the automatic consolidation of DC deferred small pots.
- Ensuring all members are saving into pension schemes delivering value through the Value for Money framework.
- Requiring pension schemes to offer a retirement income solution or range of solutions, including investment options, to their members.
- Consolidating the DB market through commercial superfunds.

Alongside the Bill, the Chancellor of the Exchequer, Rachel Reeves, has announced a "landmark pensions review" to boost investment, increase pension pots and tackle waste in the pensions system.

Also working with the Ministry of Housing, Communities and Local Government, the review will look at how to unlock the investment potential of the £360 billion Local Government Pension Scheme.

A later phase of the review will consider further steps to improve pension outcomes, including assessing retirement adequacy.



Emma Reynolds MP

Minister for Pensions

Emma Reynolds has been appointed as the first ever joint Treasury and Department for Work and Pensions (DWP) Minister (as Parliamentary Secretary in both departments). She is also Parliamentary Under Secretary of State (Minister for Pensions) within the DWP.

Ms Reynolds was the MP for Wolverhampton North East between 2010 and 2019 (being defeated by the Conservatives' Jane Stevenson in 2019). She was then elected as the MP for Wycombe in 2024 (beating the Minister of State for Northern Ireland, Steve Baker).

Virgin Media appeal dismissed

The Court of Appeal has dismissed an appeal in the case of Virgin Media vs NTL Pension Trustees II Limited. This follows last year's High Court ruling that amendments made after 1997 to salary-related contracted-out schemes are invalid without written confirmation from the Scheme Actuary that the scheme continued to meet the 'Reference Scheme Test' standard.

It remains to be seen whether it will be possible to obtain retrospective actuarial confirmation, or whether the government is prepared to amend the regulations so as to validate any alterations which would otherwise be void.

Company news

The Rolls-Royce and Bentley Pension Fund has completed a £880m full scheme buy-in with Standard Life, covering the benefits of around 6,000 members. The buy-in has replaced the scheme's existing longevity swap with Abbey Life, also now part of Standard Life.

Global investment firm, Brookfield, is reported to have applied to set up a new insurer aimed at the UK corporate pensions market. Last year, Brookfield and other private equity groups were thought to be considering bids for Pension Insurance Corporation, the specialist insurer founded in 2006 by Edi Truell.

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"The consequences of this [Virgin Media] decision are a real concern with significant ramifications for sponsors and schemes that are unintended and unnecessary"

Stewart Hastie, Chair of the Association of Consulting Actuaries



BENTLEY