



General Election and implications for pension policy

The General Election took place on 12 December 2019 resulting in a Conservative majority, following which the new session of Parliament opened with the customary Queen's Speech on 19 December 2019.

Guy Opperman MP has been reappointed as Minister for Pensions and Financial Inclusion.

Pension Schemes Bill revived

While the Queen's Speech itself did not refer directly to the Bill, the [background briefing notes](#) confirm the introduction of a Pension Schemes Bill.

The main elements outlined in the briefing notes are broadly similar to the provisions set out in the draft Bill published in the previous session of Parliament as covered by [PATHways 105](#).

The Pensions Minister has [commented](#) that the previous version of the Bill has been refined, although it is not yet clear how, noting, at time of writing, that the text of the Bill is not published.

Pension taxation / tax relief aspects

The new government is yet to make any further substantive policy announcements on the tapered annual allowance or the review of the tax relief situation for low paid workers saving into net pay pension schemes.

The Net Pay Action Group continues to campaign on this second issue and has called on the government to provide a firm timeline for conducting its review and to commit to implementing a solution.

Equitable Life business transfer to Utmost Life and Pensions

UK High Court approval was received on 4 December 2019 for the Equitable Life 'scheme of arrangement', which includes the conversion of with-profits policies to unit-linked policies, and the subsequent transfer of Equitable Life business to Utmost Life and Pensions, both effective from 1 January 2020.

The conversion involves former Equitable Life with-profits policyholders receiving an immediate one-off uplift to their policy values in exchange for the removal of the investment guarantees that had been a feature of the with-profits policies.

Equitable Life's employees will transfer to Utmost Life and Pensions and will continue to administer and service the policyholders.

Bauer ruling in the Court of Justice of the European Union

Interpretation of the EC Directive that covers protection of employees' pension rights in the event of employer insolvency has again been tested in the Court of Justice of the European Union (CJEU).

In the case of Pensions-Sicherungs-Verein VVaG v Günther Bauer, the CJEU reached a different outcome to the opinion and recommendation made by the Advocate General, in relation to the level of protection required. The CJEU ruled that member states have "considerable latitude" in determining the means and the level of protection of employees' accrued pension rights and that current law cannot therefore be interpreted as requiring a full guarantee of pension rights that might be lost on the insolvency of an employer.

The ruling, however, also held that member states should provide a minimum degree of protection citing that a reduction in pension benefits could be "manifestly disproportionate" were the former employee already living, or were it to put them, below the poverty threshold for the EU member state concerned.

The Pension Protection Fund (PPF) has [noted](#) the judgment and plans to work through the details with the Department for Work and Pensions.

Update to TPR guidance on DB to DC transfers

Due to a change in the way the Financial Conduct Authority (FCA) approves regulated individuals, such as those providing advice on transfers from defined benefit pension schemes, The Pensions Regulator (TPR) updated its transfer [guidance](#) on 11 November 2019 and then again on 20 December 2019.

This aims to reflect the fact that, from 9 December 2019, some individuals who provide such advice are no longer shown as having an active status under the appropriate regulated firm, when using the Financial Services Register. Therefore, since that date, alternative approaches may be appropriate for transfer due diligence purposes.

Marriage and Civil Partnership changes in Northern Ireland

[The Marriage \(Same-sex Couples\) and Civil Partnership \(Opposite-sex Couples\) \(Northern Ireland\) Regulations 2019](#) were made on 19 December 2019 and will come into force on 13 January 2020 allowing same sex marriage and opposite sex civil partnerships under Northern Ireland law. Trustees will need to ensure, for example, that the scheme rules, member communications and benefits paid from the pension scheme comply with these regulations.

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