



Committee for Communities

**Report on Legislative Consent Memorandum
for the Pensions Schemes Bill 2025**

**Terminal Illness, Pension Ombudsman,
Retrospective Actuarial Confirmation of
Benefit Changes (Virgin Media), Pensions
Dashboard and Contractual Override 2025**

This report is the property of the Committee for Communities. Neither the report nor its contents should be disclosed to any person unless such disclosure is authorised by the Committee.

Ordered by the Committee for Communities to be printed 23 October 2025

Report: NIA 125/22-27 - Committee for Communities.

Report on Legislative Consent Memorandum for the Pensions Schemes Bill 2025
Terminal Illness, Pension Ombudsman, Retrospective Actuarial Confirmation of
Benefit Changes (Virgin Media), Pensions Dashboard and Contractual Override
2025

Contents

Powers and Membership 2

Background 3

Evidence submitted to the Committee 5

Consideration of the Legislative Consent Memorandum by the Committee 11

Links to Appendices..... 13

Powers and Membership

Powers

1. The Committee for Communities is a Statutory Departmental Committee established in accordance with paragraphs 8 and 9 of Strand One of the Belfast Agreement and under Assembly Standing Order No 48. The Committee has a scrutiny, policy development and consultation role with respect to the Department for Communities and has a role in the initiation of legislation.
2. The Committee has power to:
 - consider and advise on Departmental budgets and Annual Plans in the context of the overall budget allocation;
 - approve relevant secondary legislation and take the Committee Stage of relevant primary legislation;
 - call for persons and papers;
 - initiate enquiries and make reports; and
 - consider and advise on matters brought to the Committee by the Minister of Communities.

Membership

3. The Committee has nine Members, including a Chairperson and Deputy Chairperson, and a quorum of five Members. The membership of the Committee is as follows:

Mr Colm Gildernew MLA (Chairperson)

Miss Nicola Brogan MLA (Deputy Chairperson)

Mr Andy Allen MLA

Ms Kellie Armstrong MLA

Mr Maurice Bradley MLA

Mrs Pam Cameron MLA

Mr Mark Durkan MLA

Mr Maolíosá McHugh MLA

Ms Sian Mulholland MLA

Background

4. A Westminster Pensions Schemes Bill (the Bill) was announced in the King's Speech on 17 July 2024. The Department for Work and Pensions (DWP) introduced the Bill into the House of Commons on 5 June 2025. With over one hundred clauses, the intention is that it will attain Royal Assent by Spring 2026.
5. The Bill is intended to support over 15 million people, who save in private sector pension schemes, get better outcomes from their pension assets and support the Government's mission to deliver growth.
6. It has been indicated by the Department of Communities that it is designed to increase the amount available for pension savers and could help an average earner, who saves over their lifetime in a defined contribution scheme, to have over £11,000 more in their pension pots with which to secure their retirement income.
7. The Department of Communities has also indicated that the Bill aims to create a private pensions market that encourages consolidation and focuses on value and outcomes for members, which will not only enable security in retirement, but also enable pension schemes to invest in a wider range of assets, driving growth.
8. In its briefing paper to the Committee, the Department outlined that although pensions are a devolved matter, in general NI's pensions policy and legislation operate in line with corresponding pension provision in Great Britain (GB) as provided for in section 87 of the NI Act 1998.
9. In effect there is a single pension system and regulatory regime across the United Kingdom (UK). Indeed, many private pension schemes operating in NI are UK-wide schemes.
10. The Department concludes that "it is, therefore, highly desirable that the measures in the Westminster Bill are also introduced in NI." However it assessed that "In view of the significant challenges with progressing a parity Pensions Schemes Bill on all elements, and the associated risk to citizens in NI being treated less favourably than people in GB, it is recommended the Department seek the agreement of the Assembly to an LCM to extend the DWP Bill to NI for those measures relating to the Terminal Illness, Pension Ombudsman, Retrospective Actuarial Confirmation of Benefit Changes (Virgin Media), Pensions Dashboard and Contractual Override."
11. Separately, an Executive Bill will be progressed in relation to remaining provisions within the Pensions Schemes Bill.

Measures requiring LCM - Background

Terminal Illness

12. The Pension Protection Fund (PPF) and Financial Assistance Scheme (FAS) are compensation schemes for people with a Defined Benefit pension that offer a safety net for members in the event of scheme failure.
13. Current rules allow access to payments from the PPF and FAS when there is a terminal illness diagnosis of less than 6 months.
14. This measure extends the definition of terminal illness in the PPF and FAS so that members can receive payments sooner in their illness.
15. The definition will change from a life expectancy of six months or less, to a life expectancy of 12 months or less.
16. This measure was approved by the Assembly by way of an LCM in 2024, for the NI provisions to be contained in a Westminster Private Member's Bill, however that Bill fell following the dissolution of Parliament for the 2024 General Election.

Pension Ombudsman

17. Until a recent High Court judgement, the Pension Ombudsman (TPO) acted as a "competent court" in pension overpayment dispute cases. However, the Court ruled that the TPO's powers do not have the status of a competent court in relation to Section 91(6) of the Pensions Act 1995 (PA95).
18. This measure will seek to restore the original policy intent and reaffirm TPO as a competent court, removing the need for pension schemes to apply to the courts to enforce TPO decisions in relation to the recovery of overpayments, with the intent that both pension schemes and their members benefit from an efficient and accessible means of resolving pension complaints.

Retrospective Actuarial Confirmation of Benefit Changes (Virgin Media)

19. This was not contained within the original Bill measures, as laid out in the King's speech, but instead relates to matters arising from the Court of Appeal judgment in the recent Virgin Media v NTL case.
20. The measure aims to restore certainty about schemes' liabilities and funding requirements.
21. It will allow schemes to clarify that benefit changes made between 1997 and 2016 met the Reference Scheme Test even if they don't have written actuarial confirmation from the time the change was made.

Report on Legislative Consent Memorandum for the Pensions Schemes Bill 2025 Terminal Illness, Pension Ombudsman, Retrospective Actuarial Confirmation of Benefit Changes (Virgin Media), Pensions Dashboard and Contractual Override 2025

22. The proposed measures will give affected schemes the ability to retrospectively obtain actuarial confirmation that the scheme continued to meet the Reference Scheme Test following a change to its benefit structure.
23. This would be done by way of a written confirmation from the actuary that they are satisfied that the scheme would have continued to meet the Reference Scheme Test after the amendment.
24. The intent is for the written confirmation to be a statement of the actuary's professional opinion, and it is intended that guidance will be produced by the Pensions Regulator and the Institute and Faculty of Actuaries to provide practical guidance for trustees and actuaries about the process for meeting the new requirements.

Pensions Dashboard

25. The Pensions Dashboards (No. 2) Regulations (Northern Ireland) 2023 set out requirements for pensions dashboards, allowing individuals to view their pension entitlements electronically, including the State Pension.
26. As the PPF and the FAS are compensation schemes rather than pension schemes, they are not currently in scope to connect to pensions dashboards.
27. The measure will enable the display of pensions information from the PPF and the FAS on the government-backed pensions dashboard provided by the Money and Pensions Service.

Contractual Override

28. The measures will enable providers to transfer a member's contract to another provider or to vary contractual terms, without individual members' consent, when in the members' best interests. This will facilitate greater consolidation and improve member outcomes.
29. It will include a range of safeguards and procedures which must be followed before an override, or a transfer can occur.

Evidence submitted to the Committee

30. Committee wrote directly to a list of stakeholders to seek their views on the issues outlined in the LCM. Of this list two submitted written evidence and one provided oral evidence to Committee. Departmental Officials also provided oral evidence to Committee.
31. The written evidence submitted to the Committee is included at Appendix 1.
32. Links to the oral evidence presented to the Committee can be found in Appendix 2.

Terminal Illness

33. Committee considered this measure in 2024 and are assured that the policy intention of the measure in The Pensions Bill is the same. Therefore Committee has considered evidence received in 2024 as part of this LCM.
34. In 2024, Marie Curie state that, whilst the “narrow scope of this Bill means the change is likely to impact a small number of people with a terminal illness, more generally the focus on private pension schemes and their response to members with a terminal illness is welcome. The financial support provided by pay-outs from private pensions or life insurance policies can be critical for working-age people who are diagnosed with terminal illnesses.”
35. Marie Curie and the Motor Neurone Disease Association campaigned passionately to improve access to social security payments for those with a terminal illness through the ‘Scrap 6 Months’ campaign which led to the Social Security (Special Rules for End of Life) Act 2022. The definition change for terminal illness is a step in the right direction and they welcomed its adoption within the PPF legislation and the FAS regulations. Furthermore, Marie Curie welcomed universal application of this new definition across all private pension schemes.
36. However, Marie Curie felt that, as emphasised by its ‘Scrap 6 months’ campaign, “an arbitrary timeframe around expected life expectancy does not address the broader issue around the unpredictable nature of many terminal conditions which can make the ‘burden of proof’ required by schemes with respect to life-expectancy difficult or impossible to meet. This can leave dying people unable to access the financial support they need until it is too late, plunging them and their loved ones into a position of poverty at a time of extreme difficulty. The preference would be for pension and life insurance providers to ensure that all working age people who become terminally ill can easily access the financial support they need from their policies, regardless of prognosis.”
37. The Association of British Insurers (the ABI) noted, “the Assembly approved the previous measure relating to payment of a lump sum at an earlier stage in the event of a terminal illness diagnosis. We support the change in definition to a life expectancy of 12 months or fewer as proposed in the Bill. This is only in relation to payments from the Pension Protection Fund and brings it into line with other pensions legislation. Beyond the scope of the Bill, there is scope for greater information-sharing between government departments, with the customer’s consent, so that evidence can be submitted and payments made more quickly.”
38. The Irish Congress of Trade Unions NI (ICTU) noted, “we support the proposed change extending the definition of terminal illness from six months to twelve months’. This is a compassionate and practical reform that will provide greater flexibility and financial support to workers and their families during extremely difficult circumstances. It aligns with broader efforts to improve

Report on Legislative Consent Memorandum for the Pensions Schemes Bill 2025 Terminal Illness, Pension Ombudsman, Retrospective Actuarial Confirmation of Benefit Changes (Virgin Media), Pensions Dashboard and Contractual Override 2025

access to lump-sum benefits for those with terminal conditions. However, we would stress the importance of clear communication to affected scheme members and their representatives to ensure consistency and fairness in implementation across all relevant schemes.”

Pension Ombudsman

39. The ABI stated that it agreed with the provisions in the Bill referring to The Pensions Ombudsman as a competent court. The organisation would like to see greater coordination between the Financial Ombudsman Service and The Pensions Ombudsman, as their jurisdictions overlap while their legal basis and compensation payable are very different. However, they stated that this is beyond the scope of the UK Bill and this LCM.
40. ICTU welcome the proposal to reaffirm the Pensions Ombudsman (TPO) as a competent court for enforcement purposes feeling that this measure should simplify the process, reduce unnecessary legal costs, and improve access to justice for scheme members. ICTU encouraged the Department to ensure that adequate resources and administrative support are made available to the Ombudsman to manage any increase in caseload resulting from these changes.
41. In its oral evidence session with the ABI, the Committee asked about court proceedings and changes around accessibility and whether there was any diminution of rights attached to that and if the Committee needed to be concerned about people's rights as a result of that change.
42. The ABI stated that implementing the Pensions Ombudsman to be the competent court will simplify things in overpayment cases and it will make decisions easier as there will not be a long-drawn-out process that would have to go through a court proceeding. The ABI does not believe that there will be any diminution of rights. If anything, it will make things quicker, more efficient and better for members and schemes.
43. Similarly, Departmental officials, at the Committee meeting on 9 October confirmed, “I do not believe that there will be any diminution of rights. If anything, it will make things quicker, more efficient and better for members and schemes.”
44. The ABI feels that the Financial Ombudsman and Pension Ombudsman do have overlap in what they do but that the Pension Ombudsman is of benefit as it will look specifically at pensions.

Retrospective Actuarial Confirmation of Benefit Changes (Virgin Media)

Report on Legislative Consent Memorandum for the Pensions Schemes Bill 2025
Terminal Illness, Pension Ombudsman, Retrospective Actuarial Confirmation of
Benefit Changes (Virgin Media), Pensions Dashboard and Contractual Override
2025

45. In its evidence to the Committee the ABI stated that it welcomed the UK Government's intention to bring forward legislation to appropriately address the implications of the Virgin Media case. In its opinion, this legislation will allow retrospective validation of such alterations where certain conditions are met and will confirm that schemes will not face future action, if they can validate past alterations. The ABI believe this provides the certainty for defined benefit schemes to proceed to buyout if they wish to do so; and confirmation that it also applies to schemes that have wound-up provides certainty to insurers that have taken on those promises to pay scheme members' pensions for the rest of their lives.
46. At the oral evidence session on 16 October 2025, the Committee asked the ABI about the importance of Retrospective Actuarial Confirmation of Benefit Changes (Virgin Media) and its impact on members of pension schemes.
47. The Committee was informed that after a UK High Court case, some changes to the Virgin pension scheme had been found to be invalid. This provision will ensure that if an actuary today can confirm that a predecessor from years ago would have made a certification, then subsequent recalculation of benefits is not necessary.
48. ICTU noted the complexity of this measure and its potential implications for scheme members. While it understands the intent to provide legal certainty for schemes affected by the Virgin Media v NTL judgment, ICTU urges caution to ensure that retrospective validation does not disadvantage members or diminish accrued benefits. In ICTU's view, any retrospective changes must include robust safeguards and full transparency, ensuring that members are not unfairly impacted by administrative or actuarial omissions beyond their control.

Pensions Dashboard

49. On this issue, the ABI stated that it, and its members companies, have been pioneers of the Pensions Dashboards project since the conceptual stage so it welcomed the measures in the Bill to enable the display of pensions information from the PPF and its predecessor, the Financial Assistance Scheme, on the Money and Pensions Service pensions dashboard and private dashboards when they follow. It also welcomed the fact that tens of millions of pension records are now connected to the dashboard service and that all schemes in scope of dashboards will be connected by 31 October 2026.
50. In its oral evidence to the Committee on 16 October, the ABI representative agreed with members that there needed to be a comprehensive communications strategy to promote the benefits of the pensions dashboard.
51. ICTU also strongly supports the inclusion of the Pension Protection Fund (PPF) and Financial Assistance Scheme (FAS) data on the government-backed pensions dashboard. In its view, this will enhance visibility and understanding for members and improve engagement with retirement planning. ICTU did,

however, emphasise the need for strict data protection and security standards, as well as clear public guidance to ensure that information displayed is accurate and comprehensible to all members, including those less familiar with digital tools.

Contractual Override

52. The ABI welcomed the legislation to enable bulk transfers or fund switches for members of contract based schemes when it is in their interests, with no worse outcome for other scheme members stating that these provisions are essential to delivering the Value for Money (VfM), scale, and small pot reforms. The ABI feels that it is imperative that this is put in place ahead of the VfM framework being implemented, so that funds can be merged ahead of the first year of VfM assessments but the UK Government's proposed timetable risks not providing enough time to allow for this.
53. Furthermore, the ABI feels that contractual override should also be in place before the UK Ministerial review examining market fragmentation. Within the context of support for the contractual override provisions the ABI feels that the following changes would increase the uptake of contractual override while still protecting the interests of members:
- The scope of the contractual override provisions should be widened to include individual pension schemes as soon as possible.
 - Saver disengagement is not confined to group pension schemes (to which the contractual override provisions are currently limited).
 - The proposed "better outcome" requirement for regulated schemes will constrain the use of the contractual override. It is also inconsistent with the framework for trust-based schemes, where the requirement is for "no worse an outcome". The same test should apply for contractual override particularly where the transfer is to a scheme which meets proposed quality conditions such as the scale test or green rated for value for money.
 - A provider's conclusion as to the "best interests" test should be deemed to have been reasonably reached, if the provider has followed due process and the relevant change has been independently certified.
 - The bar for the best interests test may be too high for internal changes. This could prevent providers from making changes which would benefit savers.
 - Allowance should be made for practical challenges in communicating with affected savers; inadvertent omissions should not invalidate an otherwise valid change.
 - There should be a facility for a provider to use the contractual override in relation to multiple schemes together, on a project or framework basis, so that the override does not have to be used separately for each scheme.
54. In addition to these proposals, the ABI states that it is not clear how the contractual override provisions will interact with other regulatory requirements (e.g. Consumer Duty). As the Financial Conduct Authority (FCA) develops rules on this, the ABI feels that it must remain proportionate.

Report on Legislative Consent Memorandum for the Pensions Schemes Bill 2025
Terminal Illness, Pension Ombudsman, Retrospective Actuarial Confirmation of
Benefit Changes (Virgin Media), Pensions Dashboard and Contractual Override
2025

55. At its briefing session with the ABI on 16 October 2025, the Committee asked why it was important that contractual overrides happen ahead of the Value for Money framework and authorisation of small pot consolidators being implemented and whether the ABI had concerns this might not happen.
56. The ABI told Members that they regarded it as crucial that the contractual overrides happen ahead of the Value for Money framework as this will enable insurers to move its members from low value to better value schemes. If this is done ahead of the Value for Money framework, it would make it more meaningful. If the contractual override did not happen first, the Value for Money framework would be based on something that would soon become outdated and, in the ABI's view, this would be more efficient sequencing.
57. When asked if they had any concerns about potential risks around member rights and transparency without members' consent, the ABI informed the Committee that it was clearly very important that members' interests are paramount at all times and that the ability to move members from one scheme to another is subject to the safety and security of members' benefits. The ABI is satisfied, for the most part, that the appropriate safeguards are in place.
58. The Committee questioned the ABI representative about 'better outcome' vs 'no worse outcome' requirements for the contractual override provision and were informed that better outcome would be for members that would be directly affected by any change or have their terms and conditions changed whereas no worse outcome would refer to those members that would not be directly affected by the change. In effect, this means that you cannot make one group better off if you make another group worse off. This is one of the areas the ABI would like to see a slight change in order to achieve parity with other trust based schemes where no worse outcome is the test that is provided throughout.
59. When asked about how contractual overrides interact with other contractual requirements, the ABI told the Committee that the main issue was sequencing to ensure that changes outlined in the Bill are done in the correct order. Secondary legislation would set out how the changes would be dealt with and it was important to scrutinise this secondary legislation accordingly.
60. The ICTU had some concerns about the proposal. While it acknowledged the intention to facilitate consolidation and improve outcomes for members, in its view enabling providers to vary contractual terms without individual consent could create risks around member rights and transparency. The ICTU would urge that any contractual override powers be tightly constrained, with clear safeguards, consultation requirements, and independent oversight to ensure that members' interests are genuinely protected. Trade unions believe that collective consultation mechanisms will play an important role in providing accountability and assurance.

Consideration of the Legislative Consent Memorandum by the Committee

61. The Committee was informally briefed by Departmental officials on 16 September 2025, with the LCM being referred to the Committee on 3 October 2025.
62. At its meeting on 9 October 2025, the Committee was formally briefed by the Department and at its meeting on 16 October 2025, the Committee was briefed by the ABI and considered its written evidence and that of ICTU.
63. Whilst Committee is of the opinion that it would prefer to see legislation originating in the Assembly, it accepts, in this case, that it is preferable that any changes are made across all jurisdictions at the same time to ensure that people in Northern Ireland would benefit from the extension of these measures at the same time as those in the rest of the United Kingdom.
64. Committee welcomed clarification from Departmental Officials at its meeting on 9 October that “people who might live in the South but have a UK-based pension scheme will receive all the benefits of the legislative consent motion.” In response to a question that sought to ensure residents in ROI, who were members of UK based pension schemes would still enjoy the benefits of the legislative changes.
65. Committee also welcomed assurances from Departmental Officials at the same meeting, that following introduction of an NI specific Bill on the rest of the measures (not covered by this LCM) NI “should, hopefully, have the powers to replicate the powers and measures in the wider Bill in Northern Ireland at the same time as it becomes operational in the Department for Work and Pensions.”
66. Committee shares some of the concerns raised by organisations that provided evidence, and would welcome clarification on them, namely:
67. **Terminal Illness:**
 - That any change of wording from the 2024 Bill does not have any unintended consequences in terms of interpretation ambiguity or administrative uncertainty and is accompanied by clear explanatory notes to ensure legislative intent is fully understood and implemented consistently.
 - Scope for greater information-sharing between government departments, with the customer’s consent, so that evidence can be submitted and payments made more quickly
 - The importance of clear communication to affected scheme members and their representatives to ensure consistency and fairness in implementation across all relevant schemes.”
68. **Pension Ombudsman:**

Report on Legislative Consent Memorandum for the Pensions Schemes Bill 2025
Terminal Illness, Pension Ombudsman, Retrospective Actuarial Confirmation of
Benefit Changes (Virgin Media), Pensions Dashboard and Contractual Override
2025

- Greater coordination between the Financial Ombudsman Service and The Pensions Ombudsman, as their jurisdictions overlap while their legal basis and compensation payable are very different.
- ICTU encouraged the Department to ensure that adequate resources and administrative support are made available to the Ombudsman to manage any increase in caseload resulting from these changes.
- The ABI does not believe that there will be any diminution of rights. If anything, it will make things quicker, more efficient and better for members and schemes.

69. Retrospective Actuarial Confirmation of Benefit Changes (Virgin Media):

- Ensure that retrospective validation does not disadvantage members or diminish accrued benefits. In ICTU's view, any retrospective changes must include robust safeguards and full transparency, ensuring that members are not unfairly impacted by administrative or actuarial omissions beyond their control.

70. Pensions Dashboard:

- There should be a comprehensive communications strategy to promote the benefits of the pensions dashboard
- There is a need for strict data protection and security standards, as well as clear public guidance to ensure that information displayed is accurate and comprehensible to all members, including those less familiar with digital tools.

71. Contractual Override:

- contractual override powers should be tightly constrained, with clear safeguards, consultation requirements, and independent oversight to ensure that members' interests are genuinely protected.
- The concerns of the ABI including the sequencing of contractual override arrangements in relation to VfM framework and the UK Ministerial review into market fragmentation, 'better outcome' vs 'no worse outcome', interact with other regulatory requirements (e.g. Consumer Duty).

72. The Committee welcomed clarification from Departmental Officials at its meeting on 9 October that it's assessment that changes were "largely beneficial" rather than entirely so, related to the fact that "They (changes) do not necessarily make a change that is either advantageous or not advantageous to individuals," as an explanation of the term 'largely beneficial'.

73. Overall, the Committee is content with the LCM and recognises the changes are, based on the evidence received by Committee, beneficial to people in Northern Ireland.

Report on Legislative Consent Memorandum for the Pensions Schemes Bill 2025
Terminal Illness, Pension Ombudsman, Retrospective Actuarial Confirmation of
Benefit Changes (Virgin Media), Pensions Dashboard and Contractual Override
2025

Links to Appendices

Appendix 1: Written submissions

[View written submissions received in relation to the report](#)

Appendix 2: Minutes of Evidence

[View Minutes of Evidence from evidence sessions related to the report](#)