

Changes to legislation: There are currently no known outstanding effects for the Pensions Act 2007, SCHEDULE 6. (See end of Document for details)

SCHEDULES

^{F1}SCHEDULE 6 U.K.

Textual Amendments

- F1** Sch 6 repealed (5.7.2010) by [The Personal Accounts Delivery Authority Winding Up Order 2010 \(S.I. 2010/911\)](#), [art. 8\(1\)\(b\)](#) (with [art. 8\(b\)\(c\)](#))

PART 1 U.K.

MEMBERS AND EMPLOYEES ETC.

Members

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- 1 (1) The following are to be the members of the Authority—
- (a) a chairman appointed by the Secretary of State,
 - (b) other non-executive members appointed in accordance with sub-paragraph (2) or (3), and
 - (c) the executive members (see paragraph 6).
- (2) The first non-executive members appointed for the purposes of sub-paragraph (1)(b) are to be appointed by the Secretary of State.
- (3) Any subsequent appointment for the purposes of sub-paragraph (1)(b) is to be made by the Authority with the approval of the Secretary of State.
- (4) Both the Secretary of State and the Authority must aim to ensure that the Authority has neither less than 3 nor more than 9 members at any time.

Qualifications for non-executive members

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- 2 (1) Before appointing a person to be the chairman or another non-executive member, the Secretary of State must satisfy himself that the person does not have a conflict of interest.
- (2) The Secretary of State must also satisfy himself from time to time that the chairman and every other non-executive member does not have a conflict of interest.
- (3) Any of the persons mentioned in sub-paragraph (4) must, if so requested by the Secretary of State, provide the Secretary of State with such information as he considers necessary for the purpose of discharging his duties under this paragraph.

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- (4) The persons are—
- (a) a person whom the Secretary of State proposes to appoint to be the chairman or another non-executive member, and
 - (b) the chairman and other non-executive members.
- (5) Sub-paragraphs (1) to (4) apply in connection with the approval by the Secretary of State of an appointment by the Authority as they apply in connection with an appointment by him.
- (6) In this paragraph and paragraph 3 “conflict of interest”, in relation to a person, means a financial or other interest which is likely to affect prejudicially the discharge by him of his functions as a member of the Authority.
- (7) But for the purposes of this paragraph and paragraph 3 a person is not to be taken to have a conflict of interest by reason only—
- (a) that he is or has previously been engaged, on behalf of the relevant authority, in activities connected with the discharge of the authority's functions relating to occupational pension schemes or personal pension schemes, or
 - (b) that he has previously been a trustee or manager of such a scheme or an employee of such a trustee or manager.

Tenure of office of non-executive members

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- 3 (1) The chairman and each other non-executive member holds and vacates office in accordance with the terms of his appointment (subject to this Schedule).
- (2) A person's appointment as the chairman or other non-executive member must state the period for which the appointment is made.
- (3) A person is eligible for re-appointment at the end of any such period.
- (4) The chairman and each other non-executive member may resign by notice in writing to the Secretary of State.
- (5) If the Secretary of State is satisfied that the chairman or another non-executive member—
- (a) has at any time had a bankruptcy order made against him or had his estate sequestrated,
 - (b) has at any time made a composition or arrangement with, or granted a trust deed for, his creditors,
 - (c) has a conflict of interest,
 - (d) is unfit for office by reason of misconduct,
 - (e) has failed to comply with the terms of his appointment,
 - (f) has without reasonable excuse failed to discharge the functions of his office, or
 - (g) is otherwise incapable of discharging, or unfit or unwilling to discharge, the functions of his office,
- the Secretary of State may by notice in writing remove him from office.

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Remuneration etc. of non-executive members

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- 4 (1) The Authority may—
- (a) pay to the chairman and other non-executive members such remuneration, and
 - (b) pay to or in respect of the chairman and other non-executive members such sums by way of or in respect of allowances and gratuities,
- as the Secretary of State may determine.
- (2) Where—
- (a) otherwise than on the expiry of his term of office, a person ceases to be the chairman or another non-executive member, and
 - (b) the Secretary of State thinks there are special circumstances that make it right for the person to receive compensation,
- the Authority may make a payment to the person of such amount as the Secretary of State may determine.

Deputy chairman

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- 5 (1) The Secretary of State may appoint a non-executive member to be the deputy chairman.
- (2) A person appointed to be the deputy chairman—
- (a) ceases to be the deputy chairman if he ceases to be a member of the Authority, but
 - (b) otherwise holds and vacates office in accordance with the terms of his appointment.
- (3) During any vacancy in the office of chairman, or at any time when the chairman is absent or otherwise unable to act, any of his functions may be discharged by the deputy chairman.
- (4) In discharging any function of the chairman under sub-paragraph (3), the deputy chairman must have regard to any guidance given by the chairman as to the discharge of that function by the deputy chairman.

[^{F2}Executive members and employees]

Textual Amendments

F2 Sch. 6 para. 6 cross-heading substituted (26.11.2008) by [Pensions Act 2008 \(c. 30\)](#), ss. **85(2)**, 149(2)(b)

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- 6 (1) The following are to be the executive members of the Authority—
- (a) the chief executive of the Authority, and

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- (b) such other persons (if any) as are appointed in accordance with sub-paragraph (4) or (5).
- (2) The first chief executive is to be appointed by the Secretary of State, and until he makes such an appointment the membership of the Authority is not required by virtue of paragraph 1(1)(c) to include any executive member.
- (3) Any subsequent chief executive is to be appointed by the non-executive committee with the approval of the Secretary of State.
- (4) The first executive members (if any) appointed for the purposes of sub-paragraph (1) (b) are to be appointed by the Secretary of State.
- (5) Any subsequent appointment for the purposes of sub-paragraph (1)(b) is to be made by the non-executive committee with the approval of the Secretary of State.
- (6) The chief executive is to be an employee of the Authority.
- (6A) The Authority may appoint any other executive members as employees.
- (7) The Authority may appoint other employees, and may make such other arrangements for the staffing of the Authority as it thinks fit.

Terms and conditions of executive members

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- 7 (1) The first chief executive is to be appointed to hold his office, and any executive members appointed in accordance with paragraph 6(4) are to be appointed as such members and , if appointed as employees under paragraph 6(6A), are to be employed by the Authority, on such terms and conditions, including those as to remuneration, as the Secretary of State may determine.
 - (2) Any subsequent chief executive is to be appointed to hold his office, and any executive members appointed in accordance with paragraph 6(5) are to be appointed as such members and , if appointed as employees under paragraph 6(6A), are to be employed by the Authority, on such terms and conditions, including those as to remuneration, as the non-executive committee may determine with the approval of the Secretary of State.
 - (3) The Authority must—
 - (a) pay to or in respect of . . . executive members such pensions, allowances or gratuities, or
 - (b) provide and maintain for them such pension schemes (whether contributory or not),
 as the non-executive committee may determine.
 - (4) If an employee of the Authority who is an executive member—
 - (a) is a participant in a pension scheme applicable to his membership of the Authority, and
 - (b) ceases to be an executive member without ceasing to be an employee,
 his service (after ceasing to be an executive member) as an employee may, if the Secretary of State so determines, be treated for the purposes of the pension scheme as if it were service as an executive member.

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Terms and conditions of other employees

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- 8 (1) The employees of the Authority who are not executive members are to be appointed to and hold their employments on such terms and conditions, including those as to remuneration, as the Authority may determine.
- (2) The Authority must—
- (a) pay to or in respect of employees who are not executive members such pensions, allowances or gratuities, or
 - (b) provide and maintain for them such pension schemes (whether contributory or not),
- as the Authority may determine.
- (3) If an employee of the Authority—
- (a) is a participant in a pension scheme applicable to his employment, and
 - (b) becomes an executive member,
- his service as a member may, if the Secretary of State so determines, be treated for the purposes of the pension scheme as if it were service as an employee.

PART 2 U.K.

PROCEEDINGS ETC.

Non-executive committee

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- 8A (1) There is to be a committee of the Authority consisting of the chairman and every other non-executive member of the Authority (referred to in this Schedule as the “non-executive committee”).
- (2) The non-executive committee must—
- (a) keep under review the question whether the Authority's internal financial controls secure the proper conduct of its financial affairs, and
 - (b) discharge the other functions conferred on it by this Schedule.
- (3) The non-executive committee must prepare a report on the discharge of the functions mentioned in sub-paragraph (2) for inclusion in the annual report of the Authority under paragraph 17.
- (4) The report under sub-paragraph (3) must relate to the same period as the Authority's report.
- (5) The non-executive committee may establish a sub-committee.
- (6) The members of a sub-committee under sub-paragraph (5)—
- (a) must include at least one non-executive member of the Authority, and
 - (b) must not include persons who are executive members or employees of the Authority.

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- (7) A sub-committee under sub-paragraph (5) may include persons who are not members of the non-executive committee or the Authority.
- (8) Paragraphs 9 and 10 do not apply to the non-executive committee.

[^{F8}Other committees] and advisory committees

Textual Amendments

F8 Words in *Sch. 6 para. 9* cross-heading substituted (26.11.2008) by *Pensions Act 2008 (c. 30), ss. 84(5), 149(2)(b)*

- 9 (1) The Authority may—
- (a) establish a committee for the purpose of discharging any of its functions, and
 - (b) establish a committee for the purpose of giving advice to the Authority about matters relating to the discharge of its functions.
- (2) A committee may consist of or include persons (including persons constituting a majority of the committee) who are neither members nor employees of the Authority.
- (3) But except where a committee—
- (a) is established solely for the purpose mentioned in sub-paragraph (1)(b), and
 - (b) is not authorised under paragraph 14 to discharge functions on behalf of the Authority,
- the committee must contain at least one person who is either a member or an employee of the Authority (or is both).
- (4) Where a person who is neither a member nor an employee of the Authority is a member of a committee, the Authority may pay to that person such remuneration and expenses as it may determine.

- 10 (1) A committee of the Authority may establish a sub-committee.
- (2) Every member of a sub-committee must be a member of the committee which established it.

Proceedings of the Authority, committees and sub-committees

- 11 (1) The Authority may, subject to this Schedule—
- (a) regulate its own procedure;
 - (b) subject to sub-paragraph (1A), regulate the procedure of its committees or sub-committees;
 - (c) enable committees or sub-committees to regulate their own procedure subject to any provision made by the Authority.

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- (1A) The non-executive committee may, subject to this Schedule—
- (a) regulate its own procedure;
 - (b) regulate the procedure of its sub-committees;
 - (c) enable its sub-committees to regulate their own procedure subject to any provision it makes.
- (2) The procedure for the discharge of the separate functions which are conferred under this Schedule on the non-executive committee is to be determined by a majority of the the members of that committee.
- (3) In this paragraph a power to regulate or determine procedure includes, in particular, power—
- (a) to specify a quorum for meetings,
 - (b) to make provision that in specified circumstances the Authority or, as the case may be, the non-executive committee may exercise their respective powers of appointment under paragraph 1(3) or 6(5) at a meeting which is inquorate, and
 - (c) to make provision about the making of decisions by a majority.
- (4) The Authority must publish, in such manner as it thinks fit, its own procedures and those of its committees and sub-committees.
- (5) This paragraph has effect subject to paragraph 13.

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- 12 The Authority must make arrangements for the keeping of proper records—
- (a) of its proceedings,
 - (b) of the proceedings of its committees and sub-committees,
 - (c) of the proceedings of a meeting of the chairman and other non-executive members,
 - (d) of anything done by an employee or member of the Authority under paragraph 14(a) or (b).

Disqualification for acting in relation to certain matters

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- 13 (1) This paragraph applies if at any meeting of—
- (a) the Authority,
 - (b) the chairman and other non-executive members, or
 - (c) any committee or sub-committee,
- a member of the Authority or, as the case may be, of the committee or sub-committee has a direct or indirect interest in any matter falling to be considered at the meeting.
- (2) The person with the interest must declare it and the declaration must be recorded in the minutes of the meeting.
- (3) The person with the interest may not take part in any discussion or decision relating to the matter in which he has an interest, unless—

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- (a) in the case of a meeting of the Authority or of the chairman and other non-executive members, the other members who are present when the discussion or decision falls to take place or is made have resolved unanimously that the interest is to be disregarded, or
 - (b) in any other case, the other members of the committee or sub-committee who are so present have resolved in the manner authorised by the Authority that the interest is to be disregarded.
- (4) In granting authorisations for the purposes of sub-paragraph (3)(b), the Authority must secure that a resolution for those purposes does not allow a person to take part in a discussion or decision at a meeting of a committee established by virtue of paragraph 9(1)(a) or of a sub-committee of such a committee unless at least the following requirements are met—
- (a) the number of other members of the committee or sub-committee in favour of the resolution is not less than two-thirds of those who are both present and entitled to vote on the resolution, and
 - (b) the number of other members of the committee or sub-committee in favour of the resolution is not less than its quorum.
- (5) For the purposes of this paragraph a general notification given at or sent to a relevant meeting that—
- (a) a person—
 - (i) has an interest (as member, officer, employee or otherwise) in a specified body corporate or firm, or
 - (ii) is connected with a specified person (other than a body corporate or firm), and
 - (b) he is to be regarded as interested in any matter involving that body corporate or firm or, as the case may be, person,
- is to be regarded as compliance with sub-paragraph (2) in relation to any such matter for the purposes of that meeting and any subsequent relevant meeting of the same type which is held while the notification is in force.
- (6) Section 252 of the Companies Act 2006 (c. 46) (persons connected with a director) applies for determining whether a person is connected with another person for the purposes of sub-paragraph (5) as it applies for determining whether a person is connected with a director of a company.
- (7) A notification for the purposes of sub-paragraph (5) remains in force until it is withdrawn.
- (8) For the purposes of sub-paragraph (5) each of the following is a “relevant meeting”—
- (a) a meeting of the Authority,
 - (b) a meeting of the chairman and other non-executive members,
 - (c) a meeting of a committee,
 - (d) a meeting of a sub-committee,
- and a relevant meeting is of the same type as another relevant meeting if both meetings are relevant meetings by virtue of falling within the same paragraph of this sub-paragraph.
- (9) A person required to make a declaration for the purposes of this paragraph in relation to any meeting—
- (a) is not required to attend the meeting, but

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- (b) is to be taken to have complied with the requirements of this paragraph if he takes reasonable steps to secure that notice of his interest is read out at, and taken into consideration at, the meeting.
- (10) For the purposes of this paragraph a person is not to be taken to have an interest in any matter by reason only—
- (a) that he is or has previously been engaged, on behalf of the relevant authority, in activities connected with the discharge of the authority's functions relating to occupational pension schemes or personal pension schemes, or
 - (b) that he has previously been a trustee or manager of such a scheme or an employee of such a trustee or manager.

Delegation

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- 14 The Authority may delegate any function conferred on it to—
- (a) a member,
 - (b) an employee, or
 - (c) a committee.

Validity of proceedings

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- 15 (1) The validity of proceedings of the Authority, the chairman and other non-executive members, a committee or a sub-committee is not affected by—
- (a) a vacancy among the members of the Authority or, as the case may be, the committee or sub-committee,
 - (b) a defect in the appointment of a person as chairman, deputy chairman or any other member, or
 - (c) a failure to comply with a requirement which is a requirement as to procedure by virtue of paragraph 11.
- (2) Sub-paragraph (1)(c) does not validate any proceedings of a meeting which is inquorate for a reason not within sub-paragraph (1)(a) or (b).

Authentication of the Authority's seal

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- 16 (1) The application of the Authority's seal must be authenticated by the signature of—
- (a) the chairman or another member, or
 - (b) any other person authorised by the Authority (whether generally or specially) for the purpose.
- (2) A document purporting to be duly executed under the seal of the Authority, or to be signed on behalf of the Authority, is to be received in evidence and, except to the extent that the contrary is shown, taken to be duly so executed or signed.
- (3) This paragraph does not apply to Scotland.

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Annual report

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- 17 (1) As soon as is reasonably practicable after the end of each financial year, the Authority must send to the Secretary of State a report on the exercise of the Authority's functions during that year.
- (2) A report under this paragraph must include—
- (a) a report on the Authority's proceedings during that year,
 - (aa) the report prepared by the non-executive committee under paragraph 8A(3), and
 - (b) such information relating to the financial position of the Authority, and to any other matters that he thinks appropriate, as the Secretary of State may direct.
- (3) The Secretary of State must lay before Parliament a copy of each report received by him under this paragraph.

PART 3 U.K.

MONEY

[^{F15}Finance]

Textual Amendments

F15 Sch. 6 para. 18 and cross-heading substituted (26.11.2008) by Pensions Act 2008 (c. 30), ss. 82, 149(2)(b)

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- 18 (1) The Secretary of State may, with the consent of the Treasury, give financial assistance to the Authority.
- (2) The assistance—
- (a) may take the form of grants, loans, guarantees or indemnities;
 - (b) may be given on conditions;
 - (c) in the case of a loan, must be given on a condition requiring the loan to be repaid with interest at a rate approved by the Treasury.
- (3) Section 5 of the National Loans Act 1968 (rates of interest on certain loans out of the National Loans Fund) has effect as respects the rate of interest on a loan under this paragraph as it has effect as respects a rate of interest within subsection (1) of that section.

Accounts

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- 19 (1) The Authority must—

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- (a) keep proper accounting records, and
 - (b) prepare a statement of accounts in respect of each financial year.
- (2) A statement under sub-paragraph (1)(b) must be prepared by the Authority in such form as the Secretary of State may direct.
- (3) The Authority must send a copy of a statement under sub-paragraph (1)(b)—
- (a) to the Secretary of State, and
 - (b) to the Comptroller and Auditor General.
- (4) A copy of a statement must be sent under sub-paragraph (3) within such period, beginning with the end of the financial year to which the statement relates, as the Secretary of State may direct.
- (5) The Comptroller and Auditor General must—
- (a) examine, certify and report on a statement received under this paragraph, and
 - (b) send a copy of the certified statement and of his report to the Secretary of State as soon as possible.
- (6) The Secretary of State must lay a copy of the statement and report sent under sub-paragraph (5)(b) before Parliament.

PART 4 U.K.

SUPPLEMENTARY

Disqualification

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20 In Part 2 of Schedule 1 to the House of Commons Disqualification Act 1975 (c. 24) (bodies of which all members are disqualified) insert at the appropriate place— “ The Personal Accounts Delivery Authority. ”

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21 In Part 2 of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975 (c. 25) (bodies of which all members are disqualified) insert at the appropriate place — “ The Personal Accounts Delivery Authority. ”

Records and freedom of information

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22 In Schedule 1 to the Public Records Act 1958 (c. 51) (definition of public records) in paragraph 3, insert at the appropriate place in Part 2 of the Table (other establishments and organisations)— “ Personal Accounts Delivery Authority ”

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- 23 In Part 6 of Schedule 1 to the Freedom of Information Act 2000 (c. 36) (public authorities: miscellaneous) insert at the appropriate place— “ The Personal Accounts Delivery Authority ”.

Interpretation

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- 24 (1) In this Schedule—
- “financial year” means—
- (a) the period beginning with the day on which this Act is passed and ending with the following 31st March; and
- (b) every subsequent period of 12 months ending with 31st March;
- “non-executive member”, in relation to the Authority, means a member of the Authority who is not an executive member;
- “occupational pension scheme” and “personal pension scheme”—
- (a) in relation to England and Wales or Scotland, have the same meanings as in the Pension Schemes Act 1993 (c. 48) (see section 1 of that Act);
- (b) in relation to Northern Ireland, have the same meanings as in the Pension Schemes (Northern Ireland) Act 1993 (c. 49) (see section 1 of that Act);
- “the relevant authority” means—
- (a) in relation to England and Wales or Scotland, the Secretary of State, or
- (b) in relation to Northern Ireland, the Department for Social Development in Northern Ireland;
- “trustee or manager”—
- (a) in relation to England and Wales or Scotland, is to be construed in accordance with section 178 of the Pension Schemes Act 1993 (c. 48) (trustees and managers of schemes: interpretation);
- (b) in relation to Northern Ireland, is to be construed in accordance with section 173 of the Pension Schemes (Northern Ireland) Act 1993 (trustees or managers of schemes).
- (2) In this Schedule references to the relevant authority's functions relating to occupational pension schemes or personal pension schemes include such functions conferred at any time after the passing of this Act.

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