



**The Pensions Group**

Part of the Department for Work and Pensions

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Date: 17 January 2006

Dear Sir/Madam,

### **Internal Dispute Resolution – section 50 of the Pensions Act 1995**

The Department has decided not to proceed with the intended changes to the Internal Dispute Resolution (IDR) procedures that were included in the Pensions Act 2004.

Section 273 of the Pensions Act 2004 was to substitute a new section 50 into the Pensions Act 1995, which would have changed the current statutory two-stage IDR process into a one-stage process, with trustees being required to make all decisions. However it was always intended that schemes could retain the current two-stage procedure if they so wish. This change was intended to come in from 6 April.

Following comments received as a result of consultation on the associated draft regulations and draft Code of Practice (for which we are grateful), the Department has reviewed the effect of the proposed change and now believes that it would not have the desired effect of simplifying procedures or introducing greater flexibility. In fact it could place additional burdens on schemes. It has therefore been decided to not to bring in the new legislation. The existing section 50 will therefore remain in force but will be amended at the first suitable opportunity in order to give schemes more flexibility.

Yours faithfully

*Andy Carter (sent by email)*

Andy Carter  
Department for Work and Pensions



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