Papers

Understanding the implications of stakeholder pensions for occupational pension schemes

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Abstract This paper considers the issues arising out of the development of stakeholder pensions which are of concern to occupational scheme pension managers. It reviews the obligations which will be placed on employers and considers the factors to be taken into account when deciding whether to operate an occupational scheme as a stakeholder scheme. It concludes that the impact of stakeholder schemes on occupational pension provision may well depend on the effectiveness of the promotion of stakeholder pensions by the Government and other sources. The paper was first presented at a conference on the future of occupational pension schemes on 10th April, 2000.

Keywords: *stakeholder pensions, designation requirement, workplace access, scheme operation; defined contribution tax regime*

Introduction

Although stakeholder pension schemes will not become available until April 2001, and the requirements on employers to provide access to stakeholder schemes do not apply until October 2001, it is not too early for pension managers to consider the following issues:

- what obligations will be placed on the employer in relation to stakeholder pensions?
- should the employer operate a stakeholder scheme?
- what impact will stakeholder schemes have on occupational pension provision?

A table setting out the milestones in the development of stakeholder pensions to date, and the expected timing of the remaining developments, is at the end of this paper. Unless stated otherwise, references to the Act are to the Welfare Reform and Pensions Act 1999 and references to sections are to sections of that Act. References to regulations are to the Stakeholder Pension Scheme Regulations 2000.

Employers' responsibilities

Workplace access to pension provision forms a central part of the Government's proposals for increasing private pension

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coverage. Some comment in the press has implied that employers will be obliged to operate a stakeholder scheme. This is not the case — some employers will be required to designate a scheme, in certain circumstances.

Requirement to designate a stakeholder scheme

Employers will be required to designate a stakeholder scheme in respect of those employees ('relevant employees') who are both:

- ineligible to join an occupational pension scheme; and
- earning at least as much as the National Insurance lower earnings limit (currently £76 per week, £3,952 per year).¹

The following types of employee are excluded from the definition of 'relevant employees':²

- an employee subject to a waiting-period not exceeding 12 months to join an occupational pension scheme
- an employee excluded from membership of an occupational pension scheme because he is under age 18 or aged less than five years below the normal pension age for that occupational scheme
- an employee who had previously been eligible to join the employers' occupational pension scheme but who did not choose to do so
- an employee in service with the employer for a continuous period of less than three months.

Note that employees aged under 18 *will* be relevant employees if there is no occupational scheme available to them on reaching 18. The designation requirement will also apply to temporary

employees on contracts of three months or more, and also to temporary employees whose contracts are renewed beyond three months.

The employer must ensure that at least one designated scheme offers membership to all its relevant employees (whether or not any other designated scheme is available only to certain relevant employees). This requirement is regrettable as there may be cases (such as where suitable stakeholder schemes are offered through affinity groups) where it is more appropriate for an employer to designate different stakeholder schemes in respect of different groups of staff.

The designation requirement will apply from October 2001. Where an employer first becomes subject to the requirement after October 2001, the employer will have three months in which to comply.³ An employer which withdraws its designation from a scheme will also have three months to complete the designation process for another scheme.

Exemptions from the designation requirement

The Government has responded to calls to limit the extent of the designation requirement by providing exemptions for employers which:

- have fewer than five employees; or
- provide access to a group personal pension scheme (GPP) for all relevant employees (other than those aged less than 18), subject to certain conditions.⁴

Both these exemptions will be reviewed after three years.⁵ The conditions for the GPP exemption are that:

- the employer pays contributions each time the employee is paid (or at longer intervals if agreed by the employer and the employee) of at least 3 per cent of the employee's pay.

- The employer's contributions may be made subject to the employee paying contributions at the same rate. GPP arrangements in place before 8th October, 2001 may require employees to contribute more than 3 per cent of pay, provided that the employer's contributions at least match those of the employee's. For these purposes 'pay' means basic pay excluding any bonuses, commission or overtime;
- the scheme does not impose charges or penalties on members for transferring funds out of the scheme or for ceasing to pay contributions;
 - if requested to do so by the employee, the employer deducts the employee's contributions from payroll and pays them to the scheme.

The GPP must be available to *all* relevant employees over the age of 18.⁶ It appears that if a GPP is available to some relevant employees but not others, the GPP exemption will not apply at all and that all the relevant employees (including members of the GPP) must be offered access to the designated stakeholder scheme.

Consultation and selection of a stakeholder scheme

Before designating a stakeholder scheme, the employer must consult with the relevant employees and with employee representatives.⁷

A consultation paper on employer access⁸ made it clear that the way in which the consultation process is operated will be the responsibility of the employer and it will ultimately be for the employer to decide which scheme to designate. There was considerable concern that employers might be held liable to employees for any poor investment performance of the designated scheme. Fortunately, the Government addressed

these concerns by amending the Welfare Reform and Pensions Act 1999 while it was going through Parliament to provide that an employer does not have any duty to make enquiries about the designated scheme (beyond ensuring that it is a registered stakeholder scheme and will offer membership to the relevant employees) or to act on information about the scheme. The amendment specifically states that employers will not have a duty to investigate or monitor the past, present or future performance of the scheme.⁹

Stakeholder schemes will be registered with Opra. Employers will be required to withdraw their designation of a scheme if it loses its stakeholder status.¹⁰ The Government had intended that employers should examine the register periodically to ensure that the designated scheme remains a stakeholder scheme. Fortunately, the burden has now been placed on the stakeholder scheme to inform employers who have designated the scheme within two weeks of the scheme being notified by Opra of its loss of stakeholder registration.¹¹

Information and access

Having designated a stakeholder scheme, employers will have to supply the name and address of the scheme to the relevant employees, plus any other information which may be prescribed.¹² The regulations do not cover this prescribed information, but it is likely to include a copy of a stakeholder 'decision tree' (to be produced by the Government and the Financial Services Authority).

Employers will also have to allow representatives of the designated scheme 'reasonable access' to the relevant employees for the purposes of giving them information about the scheme.¹³ The Government has, as yet, given no indication of what 'reasonable' access might involve.

Payment of employee's contributions

If requested by a relevant employee, the employer must deduct the employee's contributions to the designated scheme from the employee's pay and must pass the contributions to the scheme.¹⁴ Employers will not themselves be required to contribute to the designated scheme (although they may choose to do so).

Although, in general, members of stakeholder schemes will be entitled to vary their level of contributions at any time, an employee using a payroll deduction facility to a designated stakeholder scheme may require his employer to change the amount of his contributions only once every six months.¹⁵ The employee may require the employer to stop deducting contributions, however, at any time. An employee who stops paying contributions cannot require his employer to reinstate the deduction of contributions until six months have passed.

Following consultation, the Government amended the regulations to allow employees to delay implementing an employee's request to vary or cease the deduction of contributions until the end of the pay period following the period in which the request was made.¹⁶ While welcome, this amendment will not allow employers whose employees are paid weekly much time to make the necessary changes. It also seems that the six-month limit on changes will apply on a rolling basis, ie, that employers may not require changes to contribution levels to be made at specific periods, but rather that in any particular month any number of employees may decide to change their contribution level.

In addition to deducting contributions to the current designated scheme, an employer must also deduct an employee's contributions to any stakeholder scheme which has

previously been designated.¹⁷

Initially, the requirement to deduct contributions will apply only in respect of those made to a designated (or previously designated) scheme. In the future, the requirement may be extended to any stakeholder scheme to which a relevant employee belongs.

Implications of the designation requirement

There has been considerable speculation in the press that the eligibility requirements for existing occupational pension schemes (or the eligibility requirements or conditions of GPPs) may be altered in order to avoid employers being subject to the designation requirement. However, the likely effect of the requirement may have been exaggerated. While the designation requirement may provide employers with an incentive to review pension provision for employees, the requirement itself is not especially onerous and compliance would almost certainly be less costly than increasing access to occupational schemes or contributing 3 per cent of pay to a GPP.

Operating an occupational stakeholder scheme

There will be no obligation on employers to operate a stakeholder scheme. Employers who wish to provide money purchase pension provision for their employees will have the following choices:

- operating a money purchase occupational scheme under the existing tax regime
- operating a money purchase occupational scheme under the new DC tax regime
- operating a money purchase occupational scheme under the new

- DC tax regime and registering the scheme as a stakeholder schemes
- offering a group personal pension arrangement
- making contributions to an employee's personal pension, including to a stakeholder personal pension (which may have been 'designated' by the employer).

Structure

Stakeholder pensions will be either occupational schemes or personal pension schemes.¹⁸ Existing requirements for occupational schemes will apply to stakeholder schemes established by employers, in addition to special stakeholder requirements. Confusingly, occupational stakeholder schemes will be treated as personal pension schemes for the purposes of the new DC tax regime, described later.

Stakeholder schemes must be established under trust or under the alternative structure 'secure stakeholder management'. Where a scheme is established under trust, one-third of the trustees (or of the directors of a corporate trustee) will have to be independent.¹⁹ The member-nominated trustee requirements (which would otherwise apply to an occupational stakeholder scheme) will be disappplied.²⁰

Contributions

The level of the minimum contribution which schemes must accept has been raised from £10 (as proposed in consultation) to £20.²¹ (The £20 minimum will not apply to any contracted-out rebates or to any tax relief.) Members must be allowed to vary the level of their contributions, to make regular or one-off payments of £20 or more and to stop and restart paying contributions without penalty.²²

The contribution requirements in the Act and regulations do not distinguish

between occupational schemes and commercially provided stakeholder schemes. Employers operating an occupational stakeholder scheme and deducting employee contributions from payroll must presumably allow employees to vary the amount deducted as often as the employees wish. This contrasts with the obligation on employers deducting employee contributions to a designated stakeholder scheme (considered above) to allow the employee to change the contribution level only once every six months. In addition, it seems that the trustees of an occupational stakeholder scheme will have to accept contributions paid direct by the employee at any time, subject to Inland Revenue limits. The consequences of these requirements for the costs of scheme administration may be significant.

Employees will be able to cease contributions as and when they choose. This flexibility will be particularly useful to the low-paid and for the self-employed, whose incomes fluctuate. Overuse of this facility will reduce the likelihood of retirement on an adequate income, however.

This flexibility with regard to employee contributions raises a question in relation to employer contributions. As stated previously, employers contributing to a group personal pension will be allowed to make their contributions subject to the employee paying contributions at a similar level. There is nothing in the stakeholder legislation to suggest that employer contributions to an occupational stakeholder scheme could not similarly be conditional on contributions by the employee. However, reducing employer contributions to zero when employee contributions cease would not seem compatible with the Inland Revenue requirement that there be employer contributions to an occupational pension scheme. Perhaps the answer is that all

stakeholder pension schemes are treated as personal pension schemes for tax purposes, in which case IR12 would not apply.

Investment

As occupational schemes, employer-operated stakeholder schemes will be subject to the existing investment requirements of the Pensions Act 1995, such as the obligation to have a statement of investment principles. (These requirements will be extended to personal stakeholder pension schemes.)

Stakeholder schemes will be able to offer members a choice of investments. However, if a choice is offered, the scheme must have a default investment option if the member does not indicate a choice.²³ The difficulties of the selection of investments by trustees in respect of members of money purchase schemes have been well rehearsed. The most appropriate types of investment for any particular member will vary with his age, proposed retirement date and attitude to risk. Trustees cannot know the circumstances and objectives of individual members and so will have to make general assumptions about members when selecting the default option. In contrast to non-stakeholder money purchase occupational schemes, it will not be possible to limit the trustees' investment duties to choosing a range of funds and investing in those funds selected by the member; the trustees must choose a default option suitable for all members.

Following the consultation, the Government has decided to allow stakeholder schemes to invest in with-profits policies, providing that the arrangements comply with the 1 per cent maximum charge, discussed below.

Disclosure

It will be a condition of being a stakeholder scheme that the scheme complies with the existing disclosure

requirements under s.113 Pension Schemes Act 1993 applicable to money purchase occupational schemes or personal pension schemes (as appropriate) plus additional requirements specific to stakeholder schemes.²⁴

Stakeholder schemes must provide members with an annual benefit statement stating (*inter alia*) the value of the member's rights at the beginning and end of the statement year, and the amount of that value attributable to investment gains and losses during the statement year. Where a member's funds are invested in a with-profits policy, the principles adopted in allocating rights under the fund must be stated.²⁵ (The existing requirement under the Occupational Pension Schemes (Disclosure of Information) Regulations 1996 that members of money purchase schemes be given an annual statement will not apply to stakeholder schemes.)²⁶

Readers may have seen reference in the press to a new requirement that money purchase schemes give members an annual illustration of their likely projected benefits at retirement. This requirement will be contained in regulations made under an amendment contained in the Child Support, Pensions and Social Security Bill.²⁷ The extent of the requirement is not yet known but it is likely to apply to stakeholder schemes.

The wording of the Act and the regulations making compliance with disclosure requirements a *condition* of being a stakeholder scheme are worrying. What will happen if a scheme inadvertently commits a minor technical breach? Where *any* of the conditions for stakeholder status is not fulfilled, Opra will have the power to deprive the scheme concerned of its stakeholder registration.²⁸ It would not be in the interests of members for a scheme to lose its stakeholder status (and therefore be forced to wind up — see below) over a

minor breach of the disclosure requirements and it is alarming that the future of a scheme in such circumstances will be dependent on how Opra chooses to exercise its discretion.

The Government has proposed that all stakeholder schemes be required to report annually to each member on the performance of their fund, relative to a common benchmark. Even though the Government sees this requirement as particularly important for members of commercially provided non-trust-based schemes, it appears that occupational stakeholder schemes will also have to comply. The proposed benchmark will be based on the investment growth recorded by all stakeholder pension schemes in their default investment options. Schemes will be required to report such information (probably to Opra) on a standard basis at the end of each financial year. The benchmark would then be defined as the range of investment performance achieved by, for example, the middle 60 per cent of schemes when ranked by performance. (Arrangements for collecting and disseminating the benchmark information will require new primary legislation; it is intended that the requirement will be in force from April 2002.)

Charges

The issue of charges may not be relevant to an occupational stakeholder scheme, if the employer is to bear all the administrative and investment expenses. If charges are made, they must not exceed 1 per cent per annum of the member's fund value.²⁹ Following consultation it has been decided that, where investment is made in a with-profits fund, the charges will also be limited to 1 per cent of the value of the member's rights in the fund.

The regulations specifically prohibit

the use of a bid/offer spread where a scheme's assets are invested in units in unit trusts or in insurance company-managed funds.³⁰

Dealing costs, including stamp duty incurred in transactions in the underlying assets of the scheme, may be recovered from the value of the funds, in addition to the 1 per cent maximum charge.³¹ However, dealing costs arising from transactions in constructed forms of investment, such as unit trusts (which are subject to Stamp Duty Reserve Tax), must be met within the 1 per cent maximum charge.

Separate charges may be made in respect of the costs of implementing a pension share on divorce, providing an annuity, or operating income drawdown arrangements.

Restrictions on membership

The regulations prohibit stakeholder schemes restricting membership by reference to an individual's financial status. Occupational stakeholder schemes (and any other schemes established under trust) will be allowed to restrict membership by reference to employment with a particular employer (or in a particular trade or profession or by reference to membership of a particular organisation).³²

Unfortunately, it is not clear whether temporary employees may be restricted from joining an occupational stakeholder scheme. Arguably, at least, such a restriction could be discriminatory by reference to an individual's financial status, and would therefore contravene the requirements of the regulations. It would not be in the interests of employers, occupational schemes, or the individuals themselves if very short-term employees had to be offered membership of an employer's stakeholder scheme.

Registration and regulation

Stakeholder schemes must be registered with Opra,³³ which will oversee the governance of trust-based schemes. Sanctions under the Pensions Act 1995 will apply to trustees who fail to take reasonable steps to ensure that the conditions for stakeholder status are complied with.³⁴

The Financial Services Authority (FSA) will regulate the 'marketing and promotion' of stakeholder schemes, including occupational stakeholder schemes. It is not yet clear what such regulation will involve in the case of occupational schemes.

Information requirements for prospective members will be set out in the FSA's conduct-of-business rules (to be subject to consultation later in 2000) and are therefore not covered in the regulations. It is to be hoped that the FSA will appreciate that providing information about an occupational pension scheme is not an authorised activity under current financial services legislation and that providing information about an occupational stakeholder scheme should be treated no differently.

Loss of registration and winding up

The Government has decided that schemes which lose their stakeholder status should be wound up. The scheme rules must contain a requirement that a scheme commences winding up on the day it is notified by Opra that its stakeholder registration is lost. Thereafter, the winding up will be subject to a strict timescale.³⁵ Members' rights must be transferred to another stakeholder scheme selected by the trustees, unless the member requests a transfer to a different pension arrangement.³⁶

Transfers

A potentially worrying aspect of stakeholder pensions which has received very little comment in the press is the requirement that stakeholder schemes accept transfers from other occupational and personal pension schemes.³⁷ There is nothing in the legislation to suggest that schemes will be able to refuse to accept transfers from schemes where benefits have not been properly equalised between men and women. As a stakeholder scheme will be obliged to accept a transfer, there would seem to be little incentive for a transferring scheme to give any assurances that equalisation has been carried out.

Of course, if a scheme accepts a transfer value which has not been properly calculated on a non-discriminatory basis, any liabilities of the transferring scheme in respect of sex equality will be passed to the receiving scheme. In the light of the Pensions Ombudsman's decision in *Williamson v Sedgwick Noble Lowndes* regarding the equalisation of guaranteed minimum pensions, this issue may be of even greater importance.

Contracting-out

The DSS press release of 10th January, 2000 confirmed that for 2001/2002 the existing rebates for contracted-out money purchase schemes and appropriate personal pensions will apply to occupational stakeholder schemes and personal stakeholder schemes respectively. However, the Welfare Reform and Pensions Act 1999³⁸ permits rebates to money purchase contracted-out schemes to differ according to whether or not the scheme is a stakeholder scheme. A full review of the rebates by the Government Actuary's Department will take place this summer, before the introduction of the State Second Pension.³⁹

DC tax regime

The new integrated defined contribution tax regime will apply to occupational and personal stakeholder schemes, other personal pension schemes and money purchase occupational schemes which have opted irrevocably into the new regime.

Contributions

- Contributions into schemes within the DC regime will be limited to an annual maximum of the higher of £3,600 (irrespective of earnings) and the amount which the member could pay into a personal pension scheme under the current personal pension tax regime.
- An individual will be able to contribute to any number of DC schemes, provided that the overall contribution limit is not exceeded.
- The contribution limit will relate to the aggregate of employee and employer contributions plus basic rate tax on employee contributions which the provider will recover from the Inland Revenue, but will exclude National Insurance rebates. Relief from higher-rate tax will be claimed through self-assessment.
- Shares from an approved employee share scheme may be put into a DC pension scheme within the contribution limits, and will attract tax relief.
- Contributions towards life assurance may still be made with tax relief. However, for insurance policies made on or after 6th April, 2001 the contributions used for life assurance must be limited to 10 per cent of the aggregate employer's and employee's contributions for that year. (For earlier contracts, the limit will remain at 5 per cent of

earnings.) The link between life assurance premiums and pension contributions, combined with the requirement that members of stakeholder schemes may cease paying contributions at any time, is of considerable concern and risks members' life cover at times when it may be most needed, such as when pension contributions are stopped because of ill health.

- Tax relief will not be allowed for premiums for waiver of contribution insurance for policies taken out on or after 6th April, 2001. However, amounts paid out under the policy will be treated as any other DC contribution and the provider may reclaim basic rate tax in respect of these payments.

Benefits

- Existing benefit requirements for personal pension schemes will apply, ie, an annuity must normally be bought between the ages of 50 and 75, a tax-free lump sum may be taken on retirement (other than in respect of protected rights) and income drawdown will be allowed. The Government's initial suggestion that it would consult on allowing stakeholder schemes to provide defined benefits appears to have been dropped.
- Unlike the current position with occupational schemes, there will be no limits on benefits from schemes within the DC tax regime.
- Phased withdrawal of benefits will be allowed, ie, annuities may be bought at different dates from the same pension arrangement. (Currently, pensions have to be split into multiple arrangements to achieve this flexibility.) Phased withdrawal may also be used for existing arrangements within the DC regime.

Why operate an occupational stakeholder scheme?

Employers who wish to allow their employees the permitted contribution levels and lack of benefit limits of the new DC tax regime may decide that establishing a non-stakeholder money purchase scheme within the new tax regime is more convenient than operating a stakeholder scheme. At first sight, it would seem possible to opt an existing money purchase scheme into the new regime. Such a switch could prove unworkable in practice, however, because the differing rules governing the calculation of tax-free lump sums under the two tax regimes could prevent the scheme actuary from providing a certificate for the purposes of s.67 Pensions Act 1995. In any case, the new tax regime may not always be preferable. Employer contributions will be limited to a percentage of pay and therefore the possibility of paying higher contributions to top up the benefits of an employee will be restricted.

Where an employer decides to operate a stakeholder scheme, the requirements to allow flexible contribution levels, additional disclosure, etc will impose additional burdens on the administration of the scheme compared to that of an ordinary money purchase scheme. In addition, the requirement that schemes which lose stakeholder status must be wound up will place restrictions on the power to amend schemes. For example, if allowing members the required flexibility in contribution levels is found to be too onerous, an occupational stakeholder scheme may not simply be converted to a non-stakeholder scheme but will have to be wound up.

However, despite these constraints, the Government's intended promotion of stakeholder schemes, plus advertising by commercial product providers, may lead to employers viewing operating a

stakeholder scheme as an attractive means of recruiting and retaining employees.

What impact will stakeholder schemes have on occupational pension provision?

The Government's intention, of course, is that stakeholder schemes be aimed at those currently unable to join an occupational pension scheme and that occupational schemes will be unaffected by the introduction of stakeholder pensions. The fear is that the reality may be different.

An unresolved issue in the stakeholder debate at the time of writing is that of concurrency, ie, allowing individuals to have parallel membership of an occupational pension scheme which has not opted into the DC tax regime and a stakeholder scheme. The recent opposition amendment in the House of Lords to the Child Support, Pensions and Social Security Bill, which would permit full concurrency, is likely to be overturned. Even though the Treasury has rejected allowing full concurrency, the Government is considering ways of allowing individuals on low to middle incomes to participate in an occupational pension scheme and a stakeholder scheme at the same time.

The impact of stakeholder schemes on occupational pension schemes will probably depend on how successful the Government (and providers) are at getting the message across that 'stakeholder schemes are good, but occupational schemes are better'. Government and commercial advertising which results in increased private pension provision through promoting stakeholder schemes is to be welcomed. However, the danger will be that, to the ordinary man or woman in the street, a stakeholder scheme may appear more attractive than an occupational pension scheme.

References

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- 2 Reg 23.
- 3 Reg 22(9).
- 4 Reg 22.
- 5 Department of Social Security press release 10th January, 2000.
- 6 Reg 22(2)(a).
- 7 S 3(2).
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- 9 S 3(8).
- 10 S 3(6).
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- 12 S 3(3).
- 13 S 3(4).
- 14 S 3(5).
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- 16 Reg 24(1)(3).
- 17 S 3(5) and Reg 1(3).
- 18 Ss 1 and 8.
- 19 Reg 4(3).
- 20 Reg 30.
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- 22 S 1(7).
- 23 Reg 3(3).
- 24 S 1(6) and Reg 18.
- 25 Reg 18(5)(r).
- 26 Reg 28.
- 27 Cl 52.
- 28 S 2(3).
- 29 S 1(5) and Regs 13 and 14.
- 30 Reg 8(4)(5).
- 31 Reg 14(5).
- 32 Reg 4(1)(2).
- 33 Ss 1 and 2.
- 34 S 2(4).
- 35 Regs 3(5), 6 and 7.
- 36 Reg 6.
- 37 S 1(8).
- 38 S 7.
- 39 Para 27 consultation paper on draft stakeholder regulations.

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Table 1: Development of stakeholder pensions to date and expected future developments

Chronology	
December 1999	Green paper on pension reform 'A new contract for welfare: PARTNERSHIP IN PENSIONS' issued.
February 1999	Welfare Reform and Pensions Bill introduced in the House of Commons.
June–September 1999	Detailed consultation on: <ul style="list-style-type: none"> • Minimum standards • Employer access • Clearing arrangements • Regulation, advice and information • Governance • Tax regime.
11th November, 1999	Welfare Reform and Pensions Act 1999 received the Royal Assent.
10th January, 2000	DSS press release responding to various issues arising from the detailed consultation.
22nd February, 2000	DSS/Inland Revenue press release and draft clauses for the Finance Bill 2000 issued relating to the new DC tax regime.
9th March, 2000	Draft regulations on employer payments to personal pensions issued.
10th March, 2000	Draft regulations on stakeholder pensions issued.
May 2000	Discussion paper issued by the Financial Services Authority on its approach to the regulation of stakeholder pensions business.
25th May, 2000	Stakeholder Pension Scheme Regulations laid before Parliament.
Late July/early August 2000	Finance Act 2000 to receive the Royal Assent.
Summer 2000	Consultation paper and detailed draft rules to be issued by the Financial Services Authority.
From October 2000	Stakeholder schemes may be registered with Opra and the Inland Revenue.
6th April, 2001	Operation of stakeholder schemes commences.
October 2001	Employer access requirements in force.