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| Social Security Policy and  Legislation Division | communities-cmyk.jpg |
| Consultee | Level 1  James House  2-4 Cromac Avenue  Gasworks Business Park  Ormeau Road  BELFAST  BT7 2JA  Tel: 028 9081 9984  Text Phone: 028 9081 9140  Email: [anne.mccleary@communities-ni.gsi.gov.uk](mailto:anne.mccleary@communities-ni.gsi.gov.uk)  Your reference:  Our reference: CO1-16-4377  Date: 3 June 2016 |

Dear Sir or Madam

**Capping early exit charges for members of occupational pension schemes**

The consultation paper *“Capping early exit charges for members of occupational pension schemes – Ensuring a fair and consistent approach across all defined contribution pensions*” published recently by the Department for Work and Pensions is available at: <https://www.gov.uk/government/consultations/capping-early-exit-charges-for-members-of-occupational-pension-schemes> The proposed changes aim to give people in occupational pension schemes access to pension freedoms without the prospect of high penalty charges and to ensure greater consistency across the pensions landscape.

The consultation is complemented by work being undertaken by the Financial Conduct Authority (FCA) on the level of the cap for personal pension schemes. The FCA has published its own consultation on the proposed level of exit charge cap for contract-based personal pensions, available at: <http://www.fca.org.uk/your-fca/documents/consultation-paper/cp16-15> The intention is that any cap should apply across both occupational and personal pension schemes.

The DWP paper follows HMT’s consultation on pension transfers and early exit charges (July 2015) and the government’s response (February 2016) and considers what action is required to ensure equality of treatment for occupational pension schemes and to identify any government action required in this area.

I would draw your attention to Annex B, page 23 of the paper which sets out how the law relating to Freedom of Information may apply to any comments made on the consultation paper.

If you wish to make any comments, please send by 16 August 2016 to:

Helen Wilson

Department for Communities

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You can also respond using the following e-mail address:

[**helen.wilson@communities-ni.gsi.gov.uk**](mailto:helen.wilson@communities-ni.gsi.gov.uk)

Yours faithfully



ANNE McCLEARY

Director of Social Security Policy and Legislation