
STATUTORY INSTRUMENTS

2022 No. 255

PENSIONS

The Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022

Made - - - - *8th March 2022*

Coming into force - - *1st August 2022*

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 28 and 144(2) and (4) of the Pensions Act 2008⁽¹⁾, sections 43 and 54(5) and (6) of, and paragraphs 1 and 2 of Schedule 18 to, the Pensions Act 2014⁽²⁾ and sections 3(8), 5(2), 8(4)(a) and (b), 11(2)(e) and (3)(a), 12(2)(b), 13(3), 14(3), 15(4)(a), 16(2), 17(4), (5) and (8), 18(4), 19(2), 20(5), 22(3)(b), 23(3)(c), 27(2), 28(3) and (4), 29(7)(a) and (10)(a) and (b), 33(4)(b) and (10), 36(1)(c), (2)(b) and (c), (5), (6) and (10), 37(3)(b), 38(3), 39(1)(b), 40(4) and (6), 41(2), 43(2) and (4)(b) and (c), 45(3) and (6), 49(2)(b) and (4) and 51(2) and (3) of, and paragraph 1(6) of Schedule 2 to, the Pension Schemes Act 2021⁽³⁾.

The Secretary of State has consulted such persons as the Secretary of State considers appropriate, in accordance with paragraph 8 of Schedule 18 to the Pensions Act 2014.

A draft of these Regulations has been laid before and approved by a resolution of each House of Parliament in accordance with section 143(4) and (5)(a) of the Pensions Act 2008⁽⁴⁾, section 54(2)(e) and (g) of the Pensions Act 2014⁽⁵⁾ and section 51(5) of the Pension Schemes Act 2021⁽⁶⁾.

The Secretary of State has exercised her discretion under section 51(6) of the Pension Schemes Act 2021 to make regulations subject to affirmative resolution procedure which would otherwise be subject to negative resolution procedure.

-
- (1) 2008 c. 30. Section 28 was amended by sections 12 and 13 of the Pensions Act 2011 (c. 19), section 39 of the Pensions Act 2014 (c. 19) and section 46 of, and paragraphs 39 and 45 of Schedule 2 to, the Pension Schemes Act 2015 (c. 8). See section 99 of the Pensions Act 2008 for the definitions of “prescribed” and “regulations”.
- (2) 2014 c. 19. Paragraph 1 of Schedule 18 to the Pensions Act 2014 (“the 2014 Act”) is amended by section 127 of, and paragraphs 23 and 25(1) and (2) of Schedule 3 to, the Pension Schemes Act 2021 (c. 1) (“the 2021 Act”). See paragraph 15 of Schedule 17 to the 2014 Act for the definition of “prescribed”.
- (3) 2021 c. 1.
- (4) A statutory instrument containing regulations under section 28 of the Pensions Act 2008 is stated to be made subject to affirmative resolution procedure.
- (5) The first regulations under paragraph 1 of Schedule 18 to the 2014 Act that make provision in relation to collective money purchase schemes (within the meaning of the 2021 Act) and regulations under paragraph 2 of Schedule 18 to that Act are stated to be made subject to affirmative resolution procedure.
- (6) Regulations made under sections 5(2), 11(3)(a), 12(2)(b), 13(3), 14(3), 15(4)(a), 16(2), 17, 18(4), 36(2), 36(6), 45(3)(a), 45(6), 49(2) and 49(4), and the first regulations made under sections 19(2), 20(5), 28(3) and 45(3)(b), of the 2021 Act are stated to be made subject to affirmative resolution procedure.

PART 1

Preliminary provisions

Citation, extent and commencement

1.—(1) These Regulations may be cited as the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022.

(2) These Regulations extend to England and Wales and Scotland.

(3) These Regulations come into force on 1st August 2022.

Interpretation and notices

2.—(1) In these Regulations—

“the 1993 Act” means the Pension Schemes Act 1993⁽⁷⁾;

“the 1995 Act” means the Pensions Act 1995⁽⁸⁾;

“the 2004 Act” means the Pensions Act 2004⁽⁹⁾;

“the Act” means the Pension Schemes Act 2021;

“active member” has the meaning given in section 124(1) of the 1995 Act;

“additional charge” means an administration charge for advice, information or a service provided to a member, including where the member requests a transfer to another pension scheme;

“body corporate” has the meaning given in section 1173(1) of the Companies Act 2006⁽¹⁰⁾;

“central estimate” means an estimate that is not deliberately either optimistic or pessimistic, does not include any margin for prudence and does not incorporate adjustments to reflect the desired outcome;

“Code” means a code of practice issued by the Regulator;

“continuity option” means one of the continuity options listed in section 34(2) of the Act;

“continuity strategy” has the meaning given in section 17(2) of the Act;

“deferred member” has the meaning given in section 124(1) of the 1995 Act;

“discounted level” means a lower level of an administration charge which applies in particular circumstances, including—

(a) a lower level which applies to members from a particular employer; or

(b) a lower level which applies to a member according to the value of the member’s rights in the scheme;

“effective date” has the meaning given in section 20(6)(a) of the Act;

“multi-annual reduction” means an arrangement permitted under the scheme rules under which the trustees apply a reduction to the rate or amount of benefits provided under the scheme over multiple years following an actuarial valuation⁽¹¹⁾;

“pensionable service” has the meaning given in section 124(1) of the 1995 Act;

(7) 1993 c. 48.

(8) 1995 c. 26.

(9) 2004 c. 35.

(10) 2006 c. 46.

(11) “Actuarial valuation” is defined in section 20(2) of the 2021 Act.

“pensioner member” has the meaning given in section 124(1) of the 1995 Act⁽¹²⁾;

“relevant person” means a person falling within section 15(3) of the Act;

“the Regulator” means the Pensions Regulator;

“scheme year” means—

(a) a year specified for the purposes of the scheme in any document comprising the scheme; or

(b) if no such year is specified, a period of 12 months beginning on 1st April or on such other date as the trustees select;

“service provider” means a person providing advisory, administration, investment or other services in respect of the scheme;

“survivor” has the meaning given in section 67A(10)(a) of the 1995 Act⁽¹³⁾;

“third-party charge” means any administration charge imposed on or in respect of a member by a person other than the trustees;

“viability certificate” has the meaning given in section 13(1)(b) of the Act;

“viability report” has the meaning given in section 13(1)(a) of the Act.

(2) Except where paragraph 1 of Schedule 6 provides otherwise, sections 303 (service of notifications and other documents) and 304 (notification and documents in electronic form) of the 2004 Act are treated as applying to notices and notifications issued in accordance with these Regulations.

Connected employers

3.—(1) For the purposes of section 49(2)(b) of the Act (interpretation of Part 1), an employer (“A”) is connected with another employer (“B”), and an employer which is a group undertaking of A is connected with an employer which is a group undertaking of B where A and B have separate legal identities but are structured so that the economic position of the shareholders of each is, as far as practicable, the same as if they held shares in a single company comprising the combined businesses of A and B.

(2) In paragraph (1) “group undertaking” has the meaning given in section 1161(5) of the Companies Act 2006 (meaning of “undertaking” and related expressions).

PART 2

Schemes divided into sections

Qualifying schemes

4.—(1) For the purposes of section 3(8) of the Act (qualifying schemes), the characteristics prescribed are—

(a) the rate or amount specified in the rules of the scheme by reference to which qualifying benefits are provided each year under the scheme;

(b) the rate or amount of contributions paid by the employer;

(c) the rate or amount of contributions paid by the employee;

⁽¹²⁾ The definition of “pensioner member” was amended by paragraph 8 of Schedule 5 to the Child Support, Pensions and Social Security Act 2000 (c. 19) and S.I. 2006/745; there are other amendments to section 124(1) but none is relevant.

⁽¹³⁾ Section 67A was inserted into the Pensions Act 1995 by section 262 of the Pensions Act 2004 (“the 2004 Act”).

(d) the normal pension age as specified in the rules of the scheme.

(2) In this regulation, “normal pension age” has the meaning given in section 76(1) of the Pension Schemes Act 2015⁽¹⁴⁾ (interpretation of Part 4).

Schemes divided into sections

5.—(1) Where an undivided scheme becomes a collective money purchase scheme that is divided into sections (a “divided scheme”), an authorisation previously granted in respect of the undivided scheme (the “existing authorisation”) applies to a section if—

- (a) that section of the divided scheme is a collective money purchase scheme by reason of section 1(2)(b) of the Act (collective money purchase benefits and schemes); and
- (b) the qualifying benefits provided under that section of the divided scheme have the same characteristics set out in regulation 4(1) as those provided under the undivided scheme.

(2) Where an undivided scheme becomes a divided scheme and there are two or more sections providing benefits with the same characteristics set out in regulation 4(1), the trustees of the undivided scheme must determine which section within the divided scheme the existing authorisation will apply to.

(3) Where paragraph (2) applies, the trustees of the undivided scheme must, as soon as reasonably practicable, provide the Regulator with the following information⁽¹⁵⁾—

- (a) the date from which the existing authorisation will apply to the section within the divided scheme; and
- (b) the name of the section within the divided scheme to which the existing authorisation will apply.

(4) In this regulation, “undivided scheme” has the meaning given in section 5(2) of the Act (schemes divided into sections).

PART 3

Authorisation

Authorisation: contents

6.—(1) This regulation applies for the purposes of section 8(4)(a) of the Act (application for authorisation).

(2) The other information to be included in an application, in relation to each person acting in a capacity mentioned in section 11(2) of the Act (fit and proper persons requirement), is—

- (a) in the case of an individual—
 - (i) the person’s full name;
 - (ii) the person’s date of birth;
 - (iii) the title and description of the person’s role in relation to the scheme;
 - (iv) (aa) the person’s residential address and address for correspondence, if different, and

⁽¹⁴⁾ 2015 c. 8.

⁽¹⁵⁾ This information is required to enable the Pensions Regulator to carry out its function under section 26(1) of the 2021 Act (list of authorised schemes).

- (bb) if there has been a change to the person's residential address at any time in the period of five years before the date of the application for authorisation, their other residential addresses falling within that period;
 - (v) a criminal conviction certificate obtained by means of an application in accordance with section 112(1) of the Police Act 1997⁽¹⁶⁾ (criminal conviction certificates) or, in relation to the law of a country outside the United Kingdom, any equivalent document;
 - (b) where that person is acting in a capacity mentioned in section 11(2)(a) to (d) and that person is a body corporate—
 - (i) the full name of each individual who is performing, or who will be performing, the functions of that person in relation to the scheme in the exercise of a management or executive role in relation to that person;
 - (ii) the date of birth of each such individual;
 - (iii)
 - (aa) the residential address of each such individual and their address for correspondence, if different, and
 - (bb) if there has been a change to each such individual's residential address at any time in the period of five years before the date of the application for authorisation, their other residential addresses falling within that period;
 - (c) in the case of any person, responses to a list of questions that may be asked by the Regulator, as part of an application for authorisation, to assess whether the person is a fit and proper person.
- (3) The other information to be included in an application, in relation to whether the scheme is financially sustainable, is the information set out in Part 1 of Schedule 3.
- (4) The other information to be included in an application, in relation to whether the systems and processes used for communicating with members and others are adequate, is details of the systems and processes used, or intended to be used, for the purposes of communicating with relevant persons, including details of the matters set out in Schedule 4.
- (5) The other information to be included in an application, in relation to whether the systems and processes used in running the scheme are sufficient, is—
- (a) details of the systems and processes used, or intended to be used, in the running of the scheme, including details of the matters set out in Schedule 5;
 - (b) whether the systems and processes used, or intended to be used, in the running of the scheme have been devised, applied or maintained by the scheme or a service provider.
- (6) The other information to be included in an application is—
- (a) the name of the scheme;
 - (b) the name of each employer in relation to the scheme;
 - (c) the date on which it is proposed that the scheme will begin operating, subject to the Regulator's decision under section 9(1) of the Act (decision on application);
 - (d) the contact details of the trustees making the application;
 - (e) a copy of the rules of the scheme;
 - (f) a copy of the scheme's trust deed.

⁽¹⁶⁾ 1997 c. 50; section 112(1) was amended by section 79(1) of the Protection of Vulnerable Groups (Scotland) Act 2007 (asp 14), sections 97(2) and 112(2) of and Part 8 of Schedule 8 to the Policing and Crime Act 2009 (c. 26), section 80(1) of the Protection of Freedoms Act 2012 (c. 9), S.S.I. 2006/50 and S.I. 2012/3006.