



Pension Schemes Act 2021

CHAPTER 1

PENSION SCHEMES ACT 2021

PART 1

COLLECTIVE MONEY PURCHASE BENEFITS

Definitions

- 1 Collective money purchase benefits and schemes
- 2 Qualifying benefits
- 3 Qualifying schemes
- 4 Qualifying schemes: supplementary
- 5 Schemes divided into sections
- 6 Amendment of definitions of “money purchase benefits” etc

Authorisation

- 7 Authorisation of collective money purchase schemes
- 8 Application for authorisation
- 9 Decision on application
- 10 Reference to Tribunal of refusal to grant authorisation

Authorisation criteria

- 11 Fit and proper persons requirement
- 12 Scheme design requirement
- 13 Viability report
- 14 Financial sustainability requirement
- 15 Communication requirement
- 16 Systems and processes requirements
- 17 Continuity strategy requirement

Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021. (See end of Document for details)

Valuation and benefit adjustment

- 18 Calculation of benefits
- 19 Advice of scheme actuary
- 20 Actuarial valuations
- 21 Certificate that actuarial valuation prepared in accordance with scheme rules
- 22 Benefits adjustments
- 23 Powers of the Pensions Regulator

Members' rights

- 24 Rules about modifying schemes
- 25 Transfer rights

Ongoing supervision

- 26 List of authorised schemes
- 27 Requirement to submit supervisory return
- 28 Duty to notify the Pensions Regulator of significant events
- 29 Risk notices
- 30 Withdrawal of authorisation

Triggering events and continuity options

- 31 Triggering events
- 32 Triggering event periods
- 33 Notification of triggering events
- 34 Continuity options
- 35 When a decision to withdraw authorisation becomes final
- 36 Continuity option 1: discharge of liabilities and winding up
- 37 Continuity option 2: resolving triggering event
- 38 Continuity option 3: conversion to closed scheme
- 39 Implementation strategy
- 40 Approval of implementation strategy
- 41 Trustees' duties once implementation strategy approved
- 42 Prohibition on winding up except in accordance with continuity option 1
- 43 Periodic reporting requirements
- 44 Pause orders
- 45 Prohibition on increasing charges etc during triggering event period

Publication of information

- 46 Publication of information

Powers to make further provision

- 47 Powers to extend definition of qualifying schemes

Supplementary

- 48 Minor and consequential amendments
- 49 Interpretation of Part 1
- 50 Index of defined expressions
- 51 Regulations

Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021. (See end of Document for details)

PART 2

COLLECTIVE MONEY PURCHASE BENEFITS: NORTHERN IRELAND

Definitions

- 52 Collective money purchase benefits and schemes
- 53 Qualifying benefits
- 54 Qualifying schemes
- 55 Qualifying schemes: supplementary
- 56 Schemes divided into sections
- 57 Amendment of definitions of “money purchase benefits” etc

Authorisation

- 58 Authorisation of collective money purchase schemes
- 59 Application for authorisation
- 60 Decision on application
- 61 Reference to Tribunal of refusal to grant authorisation

Authorisation criteria

- 62 Fit and proper persons requirement
- 63 Scheme design requirement
- 64 Viability report
- 65 Financial sustainability requirement
- 66 Communication requirement
- 67 Systems and processes requirements
- 68 Continuity strategy requirement

Valuation and benefit adjustment

- 69 Calculation of benefits
- 70 Advice of scheme actuary
- 71 Actuarial valuations
- 72 Certificate that actuarial valuation prepared in accordance with scheme rules
- 73 Benefits adjustments
- 74 Powers of the Pensions Regulator

Members' rights

- 75 Rules about modifying schemes
- 76 Transfer rights

Ongoing supervision

- 77 List of authorised schemes
- 78 Requirement to submit supervisory return
- 79 Duty to notify the Pensions Regulator of significant events
- 80 Risk notices
- 81 Withdrawal of authorisation

Triggering events and continuity options

- 82 Triggering events
- 83 Triggering event periods

Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021. (See end of Document for details)

- 84 Notification of triggering events
- 85 Continuity options
- 86 When a decision to withdraw authorisation becomes final
- 87 Continuity option 1: discharge of liabilities and winding up
- 88 Continuity option 2: resolving triggering event
- 89 Continuity option 3: conversion to closed scheme
- 90 Implementation strategy
- 91 Approval of implementation strategy
- 92 Trustees' duties once implementation strategy approved
- 93 Prohibition on winding up except in accordance with continuity option 1
- 94 Periodic reporting requirements
- 95 Pause orders
- 96 Prohibition on increasing charges etc during triggering event period

Publication of information

- 97 Publication of information

Powers to make further provision

- 98 Powers to extend definition of qualifying schemes

Supplementary

- 99 Minor and consequential amendments
- 100 Interpretation of Part 2
- 101 Index of defined expressions
- 102 Regulations

PART 3

THE PENSIONS REGULATOR

Contribution notices where avoidance of employer debt etc

- 103 Grounds for issuing a section 38 contribution notice
- 104 Reasonableness of issuing a contribution notice
- 105 Determination of sum specified in a contribution notice
- 106 Sanctions for failure to comply with a contribution notice

Sanctions for avoidance of employer debt etc

- 107 Sanctions for avoidance of employer debt etc

Collecting information

- 108 Duty to notify the Regulator of certain events
- 109 Duty to give notices and statements to the Regulator in respect of certain events

Gathering information

- 110 Interviews
- 111 Inspection of premises
- 112 Fixed penalty notices and escalating penalty notices

Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021. (See end of Document for details)

Provision of false or misleading information

- 113 Provision of false or misleading information to Regulator
- 114 Provision of false or misleading information to trustees or managers

Financial penalties

- 115 Financial penalties

Supplementary

- 116 Minor and consequential amendments

Northern Ireland

- 117 The Pensions Regulator: Northern Ireland

PART 4

PENSIONS DASHBOARDS

- 118 Qualifying pensions dashboard service
- 119 Information from occupational pension schemes
- 120 Pensions dashboards: Northern Ireland
- 121 Information from personal and stakeholder pension schemes
- 122 The Money and Pensions Service: the pensions guidance function

PART 5

FURTHER PROVISION RELATING TO PENSION SCHEMES

Scheme funding

- 123 Funding of defined benefit schemes

Climate change risk

- 124 Climate change risk

Transfer rights

- 125 Exercise of right to cash equivalent

The Pension Protection Fund

- 126 Modification of provisions relating to pensionable service

Administration charges

- 127 Administration charges

Categories of pension schemes

- 128 Pension Schemes Act 2015: repeals

Northern Ireland

- 129 Further provision relating to pension schemes: Northern Ireland

Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021. (See end of Document for details)

PART 6

FINAL

- 130 Extent
- 131 Commencement
- 132 Short title

SCHEDULES

SCHEDULE 1 — Money purchase benefits

Building Societies Act 1986 (c. 53)

- 1 (1) Schedule 10A to the Building Societies Act 1986 (disclosures...

Pension Schemes Act 1993 (c. 48)

- 2 The Pension Schemes Act 1993 is amended as follows.
- 3 (1) Section 181(1) (general interpretation) is amended as follows.
- 4 In section 181B(1) (money purchase benefits: supplementary), for “the definition”...

Pensions Act 2008 (c. 30)

- 5 The Pensions Act 2008 is amended as follows.
- 6 (1) Section 99 (interpretation of Part 1: pension scheme membership...
- 7 In section 99A(1) (money purchase benefits: supplementary), for “the definition”...

SCHEDULE 2 — Pause orders

Consequences of a pause order

- 1 (1) If a pause order is made in relation to...

Period of effect etc of pause order

- 2 (1) A pause order must specify the period for which...

Validation of action in contravention of pause order

- 3 (1) If a pause order is made in relation to...

Notification of trustees, employers and members

- 4 (1) This paragraph applies where— (a) a pause order is...

Supplementary

- 5 (1) A pause order, or an order made under any...

SCHEDULE 3 — Collective money purchase benefits: minor and consequential amendments

Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021. (See end of Document for details)

Pension Schemes Act 1993 (c. 48)

- 1 The Pension Schemes Act 1993 is amended as follows.
- 2 (1) Section 84 (basis of revaluation of accrued benefits) is...
- 3 In section 101AI (right to cash transfer sum and contribution...
- 4 In section 186 (Parliamentary control of orders and regulations), in...
- 5 In Schedule 3 (methods of revaluing accrued pension benefits), in...

Pensions Act 1995 (c. 26)

- 6 The Pensions Act 1995 is amended as follows.
- 7 In section 51 (annual increase in rate of pension), after...
- 8 In section 75 (deficiencies in the assets of certain occupational...
- 9 In section 87 (schedules of payments to money purchase schemes),...
- 10 In section 89 (application of further provisions to money purchase...

Pensions Act 2004 (c. 35)

- 11 The Pensions Act 2004 is amended as follows.
- 12 In section 13 (improvement notices), in subsection (7), after paragraph...
- 13 (1) Section 90 (codes of practice) is amended as follows...
- 14 (1) Section 93(2) (regulatory functions of the Pensions Regulator) is...
- 15 In section 97(5) (special procedure: applicable cases), after paragraph (tf)...
- 16 In section 126 (schemes eligible for pension protection), after subsection...
- 17 In section 249A (requirement for an effective system of governance),...
- 18 In section 254 (representative of non-European scheme to be treated...
- 19 In section 291 (duty of trustees or managers to act...
- 20 In section 318 (general interpretation), in subsection (3)—
- 21 In Schedule 2 (the reserved regulatory functions), after Part 4A...

Pensions Act 2008 (c. 30)

- 22 In section 31 of the Pensions Act 2008 (effect of...

Pensions Act 2014 (c. 19)

- 23 The Pensions Act 2014 is amended as follows.
- 24 In section 54(2) (regulations subject to affirmative procedure), omit the...
- 25 (1) Schedule 18 (power to restrict charges or impose requirements...

SCHEDULE 4 — Money purchase benefits: Northern Ireland

Building Societies Act 1986 (c. 53)

- 1 In Schedule 10A to the Building Societies Act 1986 (disclosures...

Pension Schemes (Northern Ireland) Act 1993 (c. 49)

- 2 The Pension Schemes (Northern Ireland) Act 1993 is amended as...
- 3 (1) Section 176(1) (general interpretation) is amended as follows.
- 4 In section 176B(1) (money purchase benefits: supplementary), for “the definition”...

Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021. (See end of Document for details)

Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13 (N.I.))

- 5 The Pensions (No. 2) Act (Northern Ireland) 2008 is amended...
6 (1) Section 78 (interpretation of Part 1: pension scheme membership...
7 In section 78A(1) (money purchase benefits: supplementary), for “the definition”...

SCHEDULE 5 — Pause orders: Northern Ireland

Consequences of a pause order

- 1 (1) If a pause order is made in relation to...

Period of effect etc of pause order

- 2 (1) A pause order must specify the period for which...

Validation of action in contravention of pause order

- 3 (1) If a pause order is made in relation to...

Notification of trustees, employers and members

- 4 (1) This paragraph applies where— (a) a pause order is...

Supplementary

- 5 (1) A pause order, or an order made under any...

SCHEDULE 6 — Collective money purchase benefits: minor and consequential amendments for Northern Ireland

Pension Schemes (Northern Ireland) Act 1993 (c. 49)

- 1 The Pension Schemes (Northern Ireland) Act 1993 is amended as...
2 (1) Section 80 (basis of revaluation of accrued benefits) is...
3 In section 97AI (right to cash transfer sum and contribution...
4 In section 181 (Assembly, etc. control of regulations and orders),...
5 In Schedule 2 (methods of revaluing accrued pension benefits), in...

Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22))

- 6 The Pensions (Northern Ireland) Order 1995 is amended as follows...
7 In Article 51 (annual increase in rate of pension), after...
8 In Article 75 (deficiencies in the assets of certain occupational...
9 In Article 85 (schedules of payments to money purchase schemes),...
10 In Article 87 (application of further provisions to money purchase...

Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1))

- 11 The Pensions (Northern Ireland) Order 2005 is amended as follows...
12 In Article 2 (general interpretation), in paragraph (4)—
13 In Article 9 (improvement notices), in paragraph (7)—
14 (1) Article 85 (codes of practice) is amended as follows...
15 In Article 88(2) (regulatory functions of the Pensions Regulator)—
16 In Article 92(5) (special procedure: applicable cases), after sub-paragraph (ta)...

Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021. (See end of Document for details)

- 17 In Article 110 (schemes eligible for pension protection), after paragraph...
- 18 In Article 226A (requirement for an effective system of governance),...
- 19 In Article 231 (representative of non-European scheme to be treated...
- 20 In Article 267 (duty of trustees or managers to act...
- 21 In Schedule 2 (the reserved regulatory functions), after Part 4...

Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13 (N.I.))

- 22 (1) Section 31 of the Pensions (No. 2) Act (Northern...

Pensions Act (Northern Ireland) 2015 (c. 5 (N.I.))

- 23 The Pensions Act (Northern Ireland) 2015 is amended as follows....
- 24 In section 51(4) (regulations subject to confirmatory procedure), omit the...
- 25 (1) Schedule 18 (power to restrict charges or impose requirements...

SCHEDULE 7 — The Pensions Regulator: minor and consequential amendments

Pensions Act 1995 (c. 26)

- 1 In section 10 of the Pensions Act 1995 (civil penalties),...

Pensions Act 2004 (c. 35)

- 2 The Pensions Act 2004 is amended as follows.
- 3 In section 38B (section 38 contribution notice issued by reference...
- 4 In section 75 (inspection of premises: powers of inspectors), in...
- 5 (1) Section 76 (inspection of premises: supplementary) is amended as...
- 6 In section 78 (warrants), in subsection (1)(c)(iii)—
- 7 (1) Section 80 (offences of providing false or misleading information)...
- 8 In section 90 (codes of practice), in subsection (2)—
- 9 (1) Section 96 (the Regulator's standard procedure in relation to...
- 10 In section 256 (no indemnification for fines or civil penalties),...
- 11 (1) Section 310 (admissibility of statements) is amended as follows....
- 12 (1) Section 316 (Parliamentary control of subordinate legislation) is amended...
- 13 (1) In Schedule 1 (the Pensions Regulator), in Part 4...
- 14 In Schedule 2 (the reserved regulatory functions), after paragraph 41...

Pensions Act 2008 (c. 30)

- 15 The Pensions Act 2008 is amended as follows.
- 16 In section 40 (fixed penalty notices), in subsection (1)—
- 17 In section 41 (escalating penalty notices), in subsection (1)—

Pension Schemes Act 2017 (c. 17)

- 18 The Pension Schemes Act 2017 is amended as follows.
- 19 (1) Section 17 (fixed penalty notice for failure to comply...
- 20 (1) Section 18 (escalating penalty notice for failure to comply...

SCHEDULE 8 — The Pensions Regulator: Northern Ireland

PART 1 — AMENDMENTS OF THE PENSIONS (NORTHERN IRELAND) ORDER 2005

Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021. (See end of Document for details)

Introductory

1 The Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1))...

Grounds for issuing an Article 34 contribution notice

2 (1) In Article 34 (contribution notices where avoidance of employer...

Reasonableness of issuing contribution notice

3 (1) Article 34 (contribution notices where avoidance of employer debt)...

Determination of sum specified in a contribution notice

4 (1) Article 35 (the sum specified in an Article 34...

Sanctions for failure to comply with a contribution notice

5 (1) In Article 36 (content and effect of an Article...

Sanctions for avoidance of employer debt etc

6 (1) After Article 54 insert— Sanctions for avoidance of employer...

Duty to notify the Regulator of certain events

7 (1) In Article 64 (duty to notify the Regulator of...

Duty to give notices and statements to the Regulator in respect of certain events

8 (1) After Article 64 insert— Duty to give notices and...

Interviews

9 (1) After Article 67 insert— Interviews (1) The Regulator may, by notice in writing, require any...

Inspection of premises

10 (1) Article 68 (inspection of premises) is amended as follows....

Fixed penalty notices and escalating penalty notices

11 After Article 72 (penalties relating to Articles 67 to 70)...

Provision of false or misleading information to Regulator

12 After Article 75 (offences of providing false or misleading information)...

Provision of false or misleading information to trustees or managers

13 After Article 75A (inserted by paragraph 12) insert— Financial penalty...

Financial penalties

14 After Article 83 insert— Financial penalties Financial penalties (1) Where the Regulator is satisfied that by reason of...

Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021. (See end of Document for details)

PART 2 — MINOR AND CONSEQUENTIAL AMENDMENTS

Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22))

15 In Article 10 of the Pensions (Northern Ireland) Order 1995...

Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1))

16 The Pensions (Northern Ireland) Order 2005 is amended as follows....
17 In Article 34B (Article 34 contribution notice issued by reference...
18 In Article 70 (inspection of premises: powers of inspectors), in...
19 (1) Article 71 (inspection of premises: supplementary) is amended as...
20 In Article 73 (warrants), in paragraph (1)(c)(iii)—
21 (1) Article 75 (offences of providing false or misleading information)...
22 In Article 85 (codes of practice), in paragraph (2)—
23 (1) Article 91 (the Regulator's standard procedure in relation to...
24 In Article 233 (no indemnification for fines or civil penalties),...
25 (1) Article 282 (admissibility of statements) is amended as follows....
26 (1) Article 288 (Assembly etc. control of orders and regulations)...
27 In Schedule 1 (the Pensions Regulator), in Part 1 (delegation),...
28 In Schedule 2 (the reserved regulatory functions), after paragraph 41...

Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13 (N.I.))

29 The Pensions (No. 2) Act (Northern Ireland) 2008 is amended...
30 In section 40 (fixed penalty notices), in subsection (1)—
31 In section 41 (escalating penalty notices), in subsection (1)—

SCHEDULE 9 — Pensions dashboards: Northern Ireland

Introductory

1 The Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1))...

Qualifying pensions dashboard service

2 After Article 215 insert— Pensions dashboards Qualifying pensions dashboard service...

Information from occupational pension schemes

3 After Article 215C (inserted by paragraph 2) insert— Information from...

Admissibility of statements

4 In Article 282 (admissibility of statements), in paragraph (3)(b), after...

Assembly control of regulations

5 In Article 288 (Assembly etc control of orders and regulations),...

The Pensions Regulator: delegation

6 In Schedule 1 (the Pensions Regulator), in Part 1 (delegation),...

SCHEDULE 10 — Funding of defined benefit schemes

Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021. (See end of Document for details)

PART 1 — AMENDMENTS OF PART 3 OF THE PENSIONS ACT 2004

- 1 Part 3 of the Pensions Act 2004 (scheme funding) is...
- 2 Before section 222 insert— Funding and investment strategy (1) The trustees or managers must determine, and from time...
- 3 (1) Section 222 (the statutory funding objective) is amended as...
- 4 (1) Section 224 (actuarial valuations and reports) is amended as...
- 5 In section 226 (recovery plan), after subsection (3) insert—
- 6 In section 229 (matters requiring agreement of employer), in subsection...
- 7 (1) Section 231 (powers of the Regulator) is amended as...

PART 2 — MINOR AND CONSEQUENTIAL AMENDMENTS

- 8 The Pensions Act 2004 is amended as follows.
- 9 In section 60 (registrable information), in subsection (2), after paragraph...
- 10 In section 80 (offences of providing false or misleading information),...
- 11 In section 316 (Parliamentary control of subordinate legislation), in subsection...

SCHEDULE 11 — Further provision relating to pension schemes: Northern Ireland

PART 1 — FUNDING OF DEFINED BENEFIT SCHEMES

Amendments of Part 4 of the Pensions (Northern Ireland) Order 2005

- 1 Part 4 of the Pensions (Northern Ireland) Order 2005 (S.I....
- 2 Before Article 201 insert— Funding and investment strategy (1) The trustees or managers must determine, and from time...
- 3 (1) Article 201 (the statutory funding objective) is amended as...
- 4 (1) Article 203 (actuarial valuations and reports) is amended as...
- 5 In Article 205 (recovery plan), after paragraph (3) insert—
- 6 In Article 208 (matters requiring agreement of employer), in paragraph...
- 7 (1) Article 210 (powers of the Regulator) is amended as...

Minor and consequential amendments

- 8 The Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1))...
- 9 In Article 55 (registrable information), in paragraph (2), after sub-paragraph...
- 10 In Article 75 (offences of providing false or misleading information),...
- 11 In Article 288 (Assembly etc control of orders and regulations),...

PART 2 — OTHER PROVISION

Climate change risk

- 12 (1) The Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I....

Transfer rights: exercise of right to cash equivalent

- 13 (1) The Pension Schemes (Northern Ireland) Act 1993 is amended...

The Pension Protection Fund: modification of provisions relating to pensionable service

- 14 (1) The amendments of the Pension Protection Fund (Compensation) Regulations...

Changes to legislation: There are currently no known outstanding effects
for the Pension Schemes Act 2021. (See end of Document for details)

Administration charges

15 (1) In Article 3 of the Welfare Reform and Pensions...

*Categories of pension schemes: repeal of provisions
of Pension Schemes Act (Northern Ireland) 2016*

16 In the Pension Schemes Act (Northern Ireland) 2016 (c. 1...

Changes to legislation:

There are currently no known outstanding effects for the Pension Schemes Act 2021.