This draft Statutory Instrument has been laid partly in consequence of defects in S.I. 2022/255 and is being issued free of charge to all known recipients of that Statutory Instrument.

Draft Regulations laid before Parliament under sections 5(5), 11(7), 12(4), 13(8), 14(5), 15(6), 16(5), 17(10), 18(8), 36(11), 47(5), 49(5) and 51(5) of the Pension Schemes Act 2021, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2025 No.

PENSIONS

The Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025

Made - - - -	***
Coming into force - -	*31st July 2026*

CONTENTS

PART 1

Preliminary Provisions

1. Citation, extent and commencement

PART 2

Amendment of the Pension Schemes Act 2021

2. Amendment of the Pension Schemes Act 2021
3. Extension of definition of qualifying schemes
4. Application for authorisation: unconnected multiple employer schemes
5. Authorisation criteria: unconnected multiple employer schemes
6. Commencement of operation of an unconnected multiple employer scheme
7. Fit and proper persons requirement: unconnected multiple employer schemes
8. Viability report: unconnected multiple employer schemes
9. Financial sustainability requirement - business strategy: unconnected multiple employer schemes
10. Financial sustainability, scheme proprietor and promotion or marketing requirements: unconnected multiple employer schemes
11. Continuity strategy requirement - scheme proprietor: unconnected multiple employer schemes
12. Ability to pursue continuity option 3: unconnected multiple employer schemes
13. Requirement to submit annual accounts: unconnected multiple employer schemes
14. Notification of significant events: unconnected multiple employer schemes
15. Risk notices - scheme proprietor: unconnected multiple employer schemes
16. Triggering events and related amendments: unconnected multiple employer schemes
17. References to relevant former employers

18. Notification of triggering events: unconnected multiple employer schemes
19. Approval of implementation strategy: unconnected multiple employer schemes
20. Powers to extend definition of qualifying schemes: regulations about unconnected multiple employer schemes
21. Interpretation of Part 1 of the Pension Schemes Act 2021
22. Index of defined expressions
23. New Schedules - scheme proprietor accounts etc, business strategy, business plan and promotion or marketing: unconnected multiple employer schemes

PART 3

Meaning of "connected"

24. Connected employers

PART 4

Unconnected Multiple Employer Schemes

Chapter 1

Preliminary Provisions

25. Application
26. Interpretation and notices

Chapter 2

Schemes Divided into Sections

27. Qualifying schemes
28. Schemes divided into sections

Chapter 3

Authorisation

29. Application for authorisation: contents
30. Application for authorisation: fee
31. Fit and proper persons requirement
32. Scheme design requirement
33. Viability report
34. Viability certificate
35. Financial sustainability requirement
36. Communication requirement
37. Systems and processes requirement
38. Continuity strategy: contents
39. Continuity strategy: administration charges

Chapter 4

Valuation and Benefit Adjustment

40. Calculation of benefits
41. Advice of scheme actuary
42. Actuarial valuations
43. Reporting requirements relating to benefit adjustments
44. Powers of the Pensions Regulator

Chapter 5

Ongoing Supervision

45. Supervisory return: contents
46. Significant events
47. Risk notices

Chapter 6

Triggering Events and Continuity Options

48. Triggering events: notification requirements
49. Implementation strategy: approval

50. Implementation strategy: charges
51. Implementation strategy: content
52. Continuity option 1: discharge of liabilities and winding up
53. Continuity option 2: resolving the triggering event
54. Continuity option 3: conversion to closed scheme
55. Periodic reporting requirement
56. Pause orders
57. Administration charges during a triggering event period

PART 5

Amendment of the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022

58. Amendment of the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022
59. Application
60. Amendment of regulation 2: interpretation and notices
61. Omission of regulation 3
62. Amendment of regulation 4: qualifying schemes
63. Amendment of regulation 5: schemes divided into sections
64. Amendment of regulation 6: authorisation - contents
65. Amendment of regulation 8: fit and proper persons requirement
66. Amendment of regulation 10: viability report
67. Amendment of regulation 11: viability certificate
68. Amendment of regulation 17: calculation of benefits
69. Amendment of regulation 18: advice of scheme actuary
70. Amendment of regulation 19: actuarial valuations
71. Amendment of regulation 21: powers of the Regulator
72. Amendment of regulation 25: triggering events: notification requirements
73. Amendment of Schedule 1: fit and proper persons requirement
74. Amendment of Schedule 2: scheme design requirement
75. Amendment of Schedule 3: financial sustainability requirement
76. Amendment of Schedule 5: systems and processes requirement
77. Amendment of Schedule 6: continuity option 1 - transfer out and winding up

PART 6

Consequential amendments

78. Amendment of the Pension Schemes Act 1993
79. Amendment of the Pensions Act 1995
80. Amendment of the Pensions Act 2004
81. Amendment of the Pension Schemes Act 2017
82. Collective money purchase schemes - amendments to secondary legislation

---

SCHEDULES

Schedule 1 — Fit and proper persons requirement
Schedule 2 — Scheme design requirement
Part 1 — Matters that the Pensions Regulator must take into account
Part 2 — Information that must be included in a viability report
Part 3 — Information that must be included in a viability certificate
Schedule 3 — Financial sustainability requirement

Part 1 — Information required on application for authorisation
Part 2 — Matters which the Pensions Regulator must take into account
Part 3 — Requirements to be met by the unconnected multiple employer scheme
Schedule 4 — Communication requirement
Part 1 — Interpretation
Part 2 — Matters that the Pensions Regulator must take into account
Schedule 5 — Systems and processes requirement - matters that the Pensions Regulator must take into account
Schedule 6 — Continuity Option 1: transfer out and winding up
Schedule 7 — Collective money purchase schemes: amendments to secondary legislation

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 3(8), 5(2), 8(4)(a), 11(2)(e) and (3)(a), 12(2)(b), 13(3), 14(3), 15(4)(a), 16(2), 17(5)(b), 18(4), 19(2) and (3), 20(5), 23(3)(c), 36(1)(c), (2)(b) and (c), (5) and (6), 40(6)(b), 47(1), (2), (3) and (4), 49(2)(b) and 51(2) and (3) of the Pension Schemes Act 2021(**a**).

A draft of these Regulations has been laid before and approved by a resolution of each House of Parliament in accordance with sections 5(5), 11(7), 12(4), 13(8), 14(5), 15(6), 16(5), 17(10), 18(8), 36(11), 47(5), 49(5) and 51(5) of the Pension Schemes Act 2021(**b**).

The Secretary of State has exercised discretion under section 51(6) of the Pension Schemes Act 2021 to make provision by regulations subject to affirmative resolution procedure which would otherwise be made by regulations subject to negative 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) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025.

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

(3) These Regulations come into force on 31st July 2026.

PART 2

Amendment of the Pension Schemes Act 2021

Amendment of the Pension Schemes Act 2021

2. The Pension Schemes Act 2021 is amended in accordance with this Part.

(**a**) 2021 c. 1.
(**b**) Regulations made under sections 5(2), 11(3)(a), 12(2)(b), 13(3), 14(3), 15(6), 16(2), 17, 18(4), 36(6), 47 and 49(2) of the Pension Schemes Act 2021 are stated to be subject to affirmative resolution procedure.

Extension of definition of qualifying schemes

3.—(1) In section 1 (collective money purchase benefits and schemes) at the end insert—

"(3) In this Part—

"single or connected employer scheme" means a collective money purchase scheme not used, or intended to be used, by any employers(**a**) other than—

(a) a single employer, or

(b) two or more employers that are connected with each other;

"unconnected multiple employer scheme" means a collective money purchase scheme used, or intended to be used, by two or more employers, some or all of which are not connected with each other.".

(2) In section 3 (qualifying schemes)—

(a) in subsection (2), omit "by a person or persons to whom section 1(2)(a) (employer) of the Pension Schemes Act 1993 applied when the scheme was established (without other persons)";

(b) omit subsection (3) (limitation to single or connected employer schemes).

Application for authorisation: unconnected multiple employer schemes

4. In section 8 (application for authorisation)—

(a) at the end of subsection (3)(a) omit "and";

(b) after subsection (3)(a) insert—

"(aa) where the scheme is an unconnected multiple employer scheme—

(i) the scheme's business plan (see section 14A),

(ii) the scheme's latest accounts (if any),

(iii) the latest accounts (if any) of the scheme proprietor (see section 14B), prepared and audited as individual accounts in accordance with the applicable requirements, and

(iv) the latest accounts of any undertaking, other than an unincorporated association, that partly or wholly funds the scheme proprietor, prepared and audited as individual accounts in accordance with the applicable requirements, and".

(c) after subsection (3) insert—

"(3A) For the purposes of subsection (3)(aa)(iii) and (iv) accounts of a scheme proprietor or (as the case may be) an undertaking are prepared and audited as individual accounts in accordance with the applicable requirements if the accounts are prepared and audited in accordance with the requirements of the law by which the scheme proprietor or the undertaking is governed, ignoring any provision of that law—

(a) that relates to the preparation or audit of group accounts;

(b) that provides for accounts to be prepared or audited differently (or not at all) if the scheme proprietor or the undertaking—

(i) does not exceed a certain size (by reference to turnover, balance sheet total, number of employees or otherwise), or

(ii) is a subsidiary of another entity.

(**a**) "Employer" is defined in section 49(1) of the Pension Schemes Act 2021.

(3B) If (notwithstanding subsection (3A)(a) and (b)) the law by which a scheme proprietor or undertaking is governed does not impose any requirements in relation to the preparation of the accounts of the scheme proprietor or undertaking, or the audit of those accounts, subsection (3A) is to apply as if the scheme proprietor or undertaking were subject to the requirements of Part 15 (accounts), or (as the case may be) Part 16 (audit), of the Companies Act 2006(**a**) with any modifications necessary to take account of the nature and structure of the scheme proprietor or undertaking (and ignoring any provision of that Act that falls within subsection (3A)(a) or (b)).

(3C) In subsection (3A)(a) "group accounts" means accounts prepared under—

(a) section 399 of the Companies Act 2006, or

(b) any corresponding or similar provision (including a provision of the law of a territory outside the United Kingdom).".

Authorisation criteria: unconnected multiple employer schemes

5. In section 9 (decision on application)—

(a) in subsection (3)—

(i) after paragraph (c) insert—

"(ca) where the scheme is an unconnected multiple employer scheme, that—

(i) the scheme has a single scheme proprietor (see section 14B), and

(ii) the scheme proprietor meets the requirements set out in section 14C,

(cb) where the scheme is an unconnected multiple employer scheme, that—

(i) no person has carried out promotion or marketing of the scheme that is unclear or misleading without rectification (see section 14D(1)), and

(ii) the scheme has adequate systems and processes for securing that promotion or marketing of the scheme is clear and not misleading (see section 14D(2) and (3)),

(cc) where the scheme is an unconnected multiple employer scheme, that no trustee of the scheme—

(i) promotes or markets the scheme, or

(ii) acts as a chief financial officer of the scheme,";

(ii) at the end of paragraph (e) omit "and";

(iii) at the end of paragraph (f) insert ", and";

(iv) at the end insert—

"(g) where the scheme is an unconnected multiple employer scheme, that if—

(i) a triggering event occurs in relation to the scheme, and

(ii) the circumstances are such that the trustees of the scheme are not required to pursue continuity option 1 by virtue of section 34(3),

the trustees will not be prevented from pursuing continuity option 3 if they consider it appropriate to do so (see sections 17A, 31 and 34).";

(b) after subsection (3) insert—

(**a**) 2006 c. 46.

"(3A) Subsection (3)(cb)(ii) does not apply if no person is carrying out promotion or marketing of the scheme.";

(c) after subsection (6) insert—

"(7) In this Part—

"promotion or marketing" of a scheme means any communication about the scheme for the purpose of inducing an employer (or prospective employer) to use, or continue to use, the scheme (whether or not that communication is accompanied by an offer of, or provision of, a benefit);

"rectification", in relation to promotion or marketing that is unclear or misleading, means that a clarification or correction is made in relation to the promotion or marketing as soon as practicable,

(and related expressions are to be read accordingly).".

Commencement of operation of an unconnected multiple employer scheme

6. After section 9 insert—

"9A Commencement of operation of an unconnected multiple employer scheme

(1) Where the Pensions Regulator grants authorisation to an unconnected multiple employer scheme, but no person has operated the scheme within the commencement period—

(a) the scheme's authorisation is withdrawn, and

(b) the Pensions Regulator must—

(i) notify the trustees that the scheme is no longer authorised, and

(ii) remove the scheme from the list of authorised collective money purchase schemes (see section 26).

(2) The commencement period, in relation to a scheme, is the period of 24 months beginning with the day on which the Pensions Regulator received the application for authorisation of the scheme.

(3) But if, before the end of that 24-month period, the trustees of the scheme satisfy the Pensions Regulator that they have good reason for needing an extension to the period, the Regulator may extend the commencement period by up to six weeks.

(4) A notification to the trustees of an unconnected multiple employer scheme under section 9(4)(b) must state—

(a) the date on which the commencement period ends, and

(b) that if no person has operated the scheme by that date, the authorisation will be withdrawn.

(5) If no person has operated an authorised unconnected multiple employer scheme before the beginning of the period of three months ending with the date on which the commencement period ends, the Pensions Regulator must send a second notification to the trustees of the scheme stating the matters specified in subsection (4)(a) and (b).

(6) Section 7(5) (meaning of "operates") applies for the purposes of this section.".

Fit and proper persons requirement: unconnected multiple employer schemes

7. In section 11(2) (fit and proper persons requirement - persons to be assessed), after paragraph (b) insert—

"(ba) where the scheme is an unconnected multiple employer scheme, the scheme proprietor (see section 14B);

(bb) where the scheme is an unconnected multiple employer scheme, a person who promotes or markets the scheme;

(bc) where the scheme is an unconnected multiple employer scheme, a chief financial officer of the scheme;

(bd) where the scheme is an unconnected multiple employer scheme, a chief investment officer of the scheme;".

Viability report: unconnected multiple employer schemes

8. In section 13 (viability report) after subsection (7) insert—

"(7A) Before providing a viability report to the Pensions Regulator in accordance with subsection (6)(a) the trustees of an unconnected multiple employer scheme must obtain the approval of the report by the scheme proprietor (see section 14B).

(7B) The trustees of an unconnected multiple employer scheme must provide the scheme proprietor with any revised viability report—

(a) within seven days of the viability report being revised, and

(b) at any other time, on request from the scheme proprietor.".

Financial sustainability requirement - business strategy: unconnected multiple employer schemes

9. In section 14 (financial sustainability requirement)—

(a) after subsection (3) insert—

"(3A) In deciding whether it is satisfied that an unconnected multiple employer scheme has sufficient financial resources to meet the costs mentioned in subsection (2), the Pensions Regulator must also take into account—

(a) the liability of the scheme proprietor to provide funds to or in respect of the scheme for the purposes of meeting those costs (see section 14B), and

(b) the financial resources of the scheme proprietor.

(3B) In order to be satisfied that an unconnected multiple employer scheme is financially sustainable, the Pensions Regulator must also be satisfied that the business strategy relating to the scheme is sound.

(3C) In deciding whether it is satisfied that the business strategy relating to an unconnected multiple employer scheme is sound, the Pensions Regulator—

(a) must take into account—

(i) the scheme's business plan, and any supporting information and documents (see section 14A);

(ii) the information and matters specified in Parts 1 and 2 of Schedule 1A;

(iii) any additional information or documents specified in a Code(**a**) for the purposes of this paragraph, and

(b) may take into account the information specified in Part 3 of Schedule 1A.";

(b) at the end of subsection (4)(a) insert "(including information about the financial resources of the scheme proprietor)".

Financial sustainability, scheme proprietor and promotion or marketing requirements: unconnected multiple employer schemes

10. After section 14 insert—

"14A Unconnected multiple employer schemes: financial sustainability requirement - business plan

(1) The scheme proprietor of an unconnected multiple employer scheme must prepare a business plan for the scheme.

(2) A business plan must—

(a) include the information specified in Part 1 of Schedule 1B, and any other information set out in a Code for the purposes of this paragraph, unless Part 2 of that Schedule provides otherwise, and

(b) comply with the requirements specified in Part 2 of Schedule 1B, and any other requirements set out in a Code in relation to the information to be included in a business plan.

(3) The scheme proprietor must, at least once a year—

(a) review the most recent business plan, and

(b) if appropriate, revise it within three months of the scheme proprietor concluding that it is appropriate to revise the plan.

(4) The scheme proprietor must revise the most recent business plan at any time if—

(a) there is any significant change to the information included in it, or

(b) a triggering event (see section 31) has reduced the value of the financial resources of the scheme.

(5) The business plan, and any revised business plan, must be approved by the trustees of the scheme.

(6) The scheme proprietor or the trustees must provide the Pensions Regulator with the most recent business plan, and any supporting information or documents required by the Regulator—

(a) on application for authorisation (see section 8),

(b) where a revision is required as a result of a review under subsection (3), on completion of the revision,

(c) where a revision is required under subsection (4), within three months of the plan being revised, and

(d) at any other time, on request from the Pensions Regulator.

(**a**) Regulation 21 of this instrument inserts a definition of "Code" into section 49(1) of the Pension Schemes Act 2021.

14B Unconnected multiple employer schemes: scheme proprietor

(1) An unconnected multiple employer scheme has a single scheme proprietor (see section 9(3)(ca)(i)) if there is a person, but no more than one person, who meets all the criteria in subsection (2) in relation to the scheme.

(2) The criteria are—

(a) if the Pensions Regulator is considering an application for authorisation in relation to the scheme, that the person is liable to provide funds to or in respect of the scheme for the purposes of meeting—

(i) some or all of the costs of setting up the scheme, and

(ii) some or all of the costs relating to obtaining authorisation of the scheme,

(b) that the person is liable to provide funds to or in respect of the scheme in circumstances where administration charges received from or in respect of members are not sufficient to cover the balance (if any) of the costs of setting up, and obtaining authorisation of, the scheme, and the costs of running it,

(c) that the person is liable, in the event of a triggering event occurring in relation to the scheme, to provide funds to or in respect of the scheme for the purposes of meeting—

(i) the costs of complying with the duties under sections 31 to 45 (see section 14(2)(b)(i)), and

(ii) the costs of continuing to run the scheme for such period (which must be at least six months and no more than two years) as the Pensions Regulator thinks appropriate for the scheme (see section 14(2)(b)(ii)), and

(d) that the person is responsible for making business decisions relating to the commercial activities of the scheme.

(3) In this Part, "the scheme proprietor", in relation to a scheme, means the person who meets all the criteria in subsection (2).

14C Unconnected multiple employer schemes: scheme proprietor requirements

(1) This section makes provision about the requirements that the scheme proprietor of an unconnected multiple employer scheme must meet in order for the scheme to meet the authorisation criterion mentioned in section 9(3)(ca)(ii).

(2) The first requirement is that the scheme proprietor is a body corporate or a partnership that is a legal person under the law by which it is governed.

(3) The second requirement is that the scheme proprietor is not a trustee of the scheme.

(4) The third requirement is that the scheme proprietor had accounts prepared and audited as individual accounts in accordance with the applicable requirements at the time when it entered into the relationship or arrangement with the scheme by virtue of which it is the scheme proprietor.

(5) The scheme proprietor is excepted from the third requirement if—

(a) the scheme proprietor has deposited a proportion, set out in a Code, of the assets required to meet the costs mentioned in section 14(2) in a separate account in the name of the trustees with a deposit taker as defined

in section 49(8A) of the Pensions Act 1995(**a**) (other responsibilities of trustees, etc.), or

(b) the Pensions Regulator grants an exception from the requirement.

(6) A scheme proprietor ceases to be excepted from the third requirement—

(a) by virtue of subsection (5)(a), if any of the proportion of the assets referred to in that subsection is withdrawn from the account referred to in that subsection before the date on which the scheme proprietor provides accounts to the Pensions Regulator under this Part, or

(b) by virtue of subsection (5)(b), if the Pensions Regulator withdraws an exception granted under that subsection.

(7) The Pensions Regulator may only withdraw an exception under subsection (6)(b) if—

(a) the Regulator has notified the scheme proprietor of its intention to withdraw the exception before the beginning of the period of two weeks ending with the day on which the exception is to be withdrawn (the "withdrawal day"), and

(b) the scheme proprietor has not, by the withdrawal day, provided accounts to the Regulator under this Part.

(8) In this section "body corporate" has the meaning given in section 1173(1) of the Companies Act 2006.

(9) Subsections (3A) to (3C) of section 8 (where accounts are prepared and audited as individual accounts in accordance with the applicable requirements) apply for the purposes of this section.

14D Unconnected multiple employer schemes: promotion or marketing requirement

(1) Part 1 of Schedule 1C sets out the matters that the Pensions Regulator must take into account in deciding whether it is satisfied that no person has carried out promotion or marketing of an unconnected multiple employer scheme that is unclear or misleading without rectification (see section 9(3)(cb)(i)).

(2) Part 2 of Schedule 1C sets out the matters that the Pensions Regulator must take into account in deciding whether it is satisfied that the scheme has adequate systems and processes for securing that promotion or marketing of the scheme is clear and not misleading (see section 9(3)(cb)(ii)).

(3) In deciding whether it is satisfied that an unconnected multiple employer scheme has adequate systems and processes for securing that promotion or marketing of the scheme is clear and not misleading, the Pensions Regulator may take into account whether any promotion or marketing of the scheme has been unclear or misleading (whether or not it has been rectified).".

Continuity strategy requirement - scheme proprietor: unconnected multiple employer schemes

11. In section 17 (continuity strategy requirement)—

(a) for subsection (2) substitute—

(**a**) 1995 c. 26. Section 49(8A) was inserted by S.I. 2001/3649 and amended by paragraph 82(1) and (2) of Schedule 18 to the Financial Services Act 2012 (c. 21) and S.I. 2019/192.

"(2) A document addressing how the interests of members of the scheme are to be protected if a triggering event (see section 31) occurs in relation to the scheme (a "continuity strategy") must be prepared by—

(a) where the scheme is a single or connected employer scheme, the trustees of the scheme;

(b) where the scheme is an unconnected multiple employer scheme, the scheme proprietor.";

(b) in subsection (6) for "collective money purchase scheme" substitute "single or connected employer scheme";

(c) after subsection (6) insert—

"(6A) The scheme proprietor of an unconnected multiple employer scheme must—

(a) keep the continuity strategy under review, and

(b) revise it if appropriate.

(6B) The continuity strategy of an unconnected multiple employer scheme, and any revisions to it, must be approved by the trustees of the scheme.";

(d) for subsection (7) substitute—

"(7) The continuity strategy must be provided to the Pensions Regulator in accordance with subsection (7A)—

(a) where the scheme is a single or connected employer scheme, by the trustees;

(b) where the scheme is an unconnected multiple employer scheme, by the scheme proprietor.

(7A) The continuity strategy must be provided—

(a) on application for authorisation (see section 8),

(b) within three months of the continuity strategy being revised, and

(c) at any other time, on request from the Pensions Regulator.".

Ability to pursue continuity option 3: unconnected multiple employer schemes

12. After section 17 insert—

"17A Unconnected multiple employer schemes: ability to pursue continuity option 3

(1) This section applies for the purposes of enabling the Pensions Regulator to decide whether it is satisfied that, unless required to pursue continuity option 1 by virtue of section 34(3), the trustees of an unconnected multiple employer scheme would not be prevented from pursuing continuity option 3 whenever they consider it appropriate to do so, should a triggering event occur in relation to the scheme (see section 9(3)(g)).

(2) In deciding whether it is satisfied that the trustees of the scheme would not be so prevented, the Pensions Regulator must take into account whether there would be any constraints or fetters on the trustees when deciding whether to pursue continuity option 3, should a triggering event occur.

(3) For the purposes of subsection (2) the circumstances in which there would be a constraint or fetter on the trustees when deciding whether to pursue continuity option 3 include where, before making the decision, the trustees would be required to—

(a) obtain the consent of employers, the scheme proprietor, members of the scheme, or any other person, or

(b) consult with any person other than employers, the scheme proprietor and members of the scheme.".

Requirement to submit annual accounts: unconnected multiple employer schemes

13. After section 26 (list of authorised schemes) insert—

"26A Unconnected multiple employer schemes: requirement to submit annual accounts

(1) The trustees of an authorised unconnected multiple employer scheme must send the scheme's accounts to the Pensions Regulator.

(2) The accounts must be sent to the Regulator no later than two months after they are obtained by the trustees.

(3) The scheme proprietor of an authorised unconnected multiple employer scheme must send to the Pensions Regulator—

(a) its accounts prepared and audited as individual accounts in accordance with the applicable requirements, and

(b) if the scheme proprietor is partly or wholly funded by an undertaking other than an unincorporated association ("relevant undertaking"), the accounts of that undertaking prepared and audited in accordance with the applicable requirements.

(4) The accounts of the scheme proprietor and any relevant undertaking must be sent to the Regulator—

(a) no later than nine months after the end of the financial year to which they relate, or

(b) if an item 4A, 4B or 7A triggering event occurs in relation to the scheme (see section 31) and the Pensions Regulator gives notice to the scheme proprietor requiring that accounts be sent early, within such shorter period after the end of the financial year to which they relate as is specified in the notice.

(5) In subsection (4) "financial year" in relation to a scheme proprietor or a relevant undertaking is to be interpreted in accordance with—

(a) the requirements of the law referred to in section 8(3A), or

(b) where no such meaning is given to "financial year" in those requirements, the Companies Act 2006.

(6) Subsections (3A) to (3C) of section 8 (where accounts are prepared and audited as individual accounts in accordance with the applicable requirements) apply for the purposes of this section.

(7) Section 10 of the Pensions Act 1995(**a**) (civil penalties) applies to a person who fails to comply with a requirement imposed by or under this section.".

(**a**) Section 10 was amended by paragraph 11 of Schedule 2 to the Welfare Reform and Pensions Act 1999 (c. 30), paragraphs 34 and 38 of Schedule 12 to the Pensions Act 2004 (c. 35), paragraph 121 of Schedule 13 to the Tribunals, Courts and Enforcement Act 2007 (c. 15), paragraph 52 of Schedule 9 to the Crime and Courts Act 2013 (c. 22) and paragraph 1 of Schedule 7 to the Pension Schemes Act 2021.

Notification of significant events: unconnected multiple employer schemes

14. In section 28(2) (duty to notify the Pensions Regulator of significant events) after paragraph (b) insert—

"(ba) where the scheme is an unconnected multiple employer scheme, the scheme proprietor;

(bb) where the scheme is an unconnected multiple employer scheme, a person who promotes or markets the scheme;

(bc) where the scheme is an unconnected multiple employer scheme, a chief financial officer of the scheme;

(bd) where the scheme is an unconnected multiple employer scheme, a chief investment officer of the scheme;".

Risk notices - scheme proprietor: unconnected multiple employer schemes

15. In section 29 (risk notices)—

(a) after subsection (1) insert—

"(1A) Where the scheme is an unconnected multiple employer scheme the Pensions Regulator may give a risk notice to the scheme proprietor if the Regulator considers that—

(a) there is an issue of concern in relation to the scheme, and

(b) the scheme will breach the authorisation criteria, or is likely to breach them, if the issue is not resolved.";

(b) in subsection (2), after "the scheme" insert "or (as the case may be) the scheme proprietor";

(c) in subsection (4), after "trustees" insert "or the scheme proprietor";

(d) after subsection (4) insert—

"(4A) Where risk notices relating to the same issue of concern have been issued to the trustees of the scheme and the scheme proprietor, the reference in subsection (4) to the proposals in a resolution plan is to be read as a reference to the proposals in the resolution plans of the trustees and the scheme proprietor taken together.";

(e) in subsection (5)—

(i) in the words before paragraph (a), after "trustees" insert "or (as the case may be) the scheme proprietor";

(ii) in paragraph (a), after "concern" insert "(whether alone or together with the proposals in another resolution plan relating to the same issue of concern)";

(iii) in paragraph (b), after "trustees" insert "or the scheme proprietor";

(f) in subsection (6), after "trustees" insert "or the scheme proprietor";

(g) in subsection (7)—

(i) after "trustees", in the first place it occurs, insert "or the scheme proprietor";

(ii) after "trustees", in the second place it occurs, insert "or (as the case may be) the scheme proprietor";

(h) in subsection (11)—

(i) in the opening words, after "trustee" insert "or a scheme proprietor";

(ii) in paragraph (a) after "(1)" insert ", (1A)".

Triggering events and related amendments: unconnected multiple employer schemes

16. In section 31 (triggering events)—

(a) in subsection (2) for "9" substitute "10";

(b) in subsection (4), in the triggering events table(**a**)—

(i) at the beginning of the text in the second column relating to item 4 insert "Where the scheme is a single or connected employer scheme,";

(ii) after the row for item 4 insert—

"4A.	Where the scheme is an unconnected multiple employer scheme, an insolvency event occurs in relation to the scheme proprietor.	The date on which the insolvency event occurs.
4B.	Where the scheme is an unconnected multiple employer scheme and the scheme proprietor is a person or body of a kind that meets requirements prescribed under section 129(1)(b) of the Pensions Act 2004, the scheme proprietor becomes unlikely to continue as a going concern.	The earlier of— (a) the date on which the scheme proprietor notifies the Pensions Regulator of that fact, and (b) the date on which the trustees become aware of that fact.";

(iii) at the beginning of the text in the second column relating to item 5 insert "Where the scheme is a single or connected employer scheme,";

(iv) after the row for item 7 insert—

"7A.	Where the scheme is an unconnected multiple employer scheme, the scheme proprietor decides to end the relationship or arrangement with the scheme by virtue of which it is the scheme proprietor.	The date of the decision.
7B.	Where the scheme is an unconnected multiple employer scheme, the scheme proprietor ends the relationship or arrangement with the scheme by virtue of which it is the scheme proprietor.	The earlier of— (a) the date on which the scheme proprietor notifies the Pensions Regulator of that fact, and (b) the date on which the trustees become aware of that fact.";

(v) at the end insert—

"10.	Where the scheme is an unconnected multiple employer scheme, the trustees decide that the scheme is at risk of failure and so it is necessary for one of the continuity options to be pursued (see section 34).	The date of the decision.";

(c) after subsection (4) insert—

(**a**) "The triggering events table" is defined in section 31(4) of the Pension Schemes Act 2021 as the table in that section.

"(4A) An unconnected multiple employer scheme is to be taken to permit the trustees of the scheme to make the decision referred to in item 10 of the table, to the extent that it would not otherwise do so.".

References to relevant former employers

17.—(1) In section 31(5) (triggering events), in the definition of "relevant former employer", for "collective money purchase scheme" substitute "single or connected employer scheme".

(2) In section 36(1)(c) (continuity option 1: discharge of liabilities and winding up)—

(a) for "each employer and each relevant former employer, and each beneficiary," substitute "the following";

(b) at the end insert "—

(i) each employer,

(ii) each beneficiary, and

(iii) where there scheme is a single or connected employer scheme, each relevant former employer.".

(3) In section 41(2) (trustees' duties once implementation strategy approved) for "to employers or relevant former employers" substitute "to employers or, where the scheme is a single or connected employer scheme, relevant former employers".

(4) In section 44(5)(b)(i) (pause orders) after "on behalf of employers or" insert ", where the scheme is a single or connected employer scheme,".

(5) In Schedule 2 (pause orders), in paragraph 4(3)(c), at the beginning insert "where the scheme is a single or connected employer scheme,".

Notification of triggering events: unconnected multiple employer schemes

18. In section 33 (notification of triggering events)—

(a) in the table in subsection (2)—

(i) after the row for an item 4 triggering event insert—

"Item 4A triggering event (an insolvency event occurs in relation to the scheme proprietor)	The scheme proprietor.
	A trustee who is aware of the event.
Item 4B triggering event (a scheme proprietor becomes unlikely to continue as a going concern, where the scheme proprietor is a person or body of a kind that meets the requirements prescribed under section 129(1)(b) of the Pensions Act 2004)	The scheme proprietor.
	A trustee who is aware of the event.";

(ii) in the second column of the row for an item 6 triggering event—

(aa) at the beginning of the final entry insert "Where the scheme is a single or connected employer scheme,";

(bb) after the final entry insert "Where the scheme is an unconnected multiple employer scheme, the scheme proprietor (if not the person who made the decision) if they are aware of the event.";

(iii) in the second column of the row for an item 7 triggering event—

(aa) at the beginning of the final entry insert "Where the scheme is a single or connected employer scheme,";

(bb) after the final entry insert "Where the scheme is an unconnected multiple employer scheme, the scheme proprietor if they are aware of the event.";

(iv) after the row for an item 7 triggering event insert—

"Item 7A triggering event (scheme proprietor decides to end relationship or arrangement)	The scheme proprietor. A trustee who is aware of the event.
Item 7B triggering event (scheme proprietor ends relationship or arrangement)	The scheme proprietor. A trustee who is aware of the event.";

(v) in the second column of the row for an item 8 triggering event—

(aa) at the beginning of the final entry insert "Where the scheme is a single or connected employer scheme,";

(bb) after the final entry insert "Where the scheme is an unconnected multiple employer scheme, the scheme proprietor (if not the person who made the decision) if they are aware of the event.";

(vi) in the second column of the row for an item 9 triggering event—

(aa) at the beginning of the final entry insert "Where the scheme is a single or connected employer scheme,";

(bb) after the final entry insert "Where the scheme is an unconnected multiple employer scheme, the scheme proprietor if they are aware of the event.";

(vii) after the row for an item 9 triggering event insert—

"Item 10 triggering event (trustees decide that it is necessary to pursue continuity option)	The trustees. The scheme proprietor if they are aware of the event.";

(b) in subsection (3) for "collective money purchase scheme" substitute "single or connected employer scheme";

(c) after subsection (3) insert—

"(3A) If a triggering event occurs in relation to an unconnected multiple employer scheme, a trustee who is aware of the event must (subject to subsections (5A), (6), (12) and (13)) give the required notification to each employer and the scheme proprietor.";

(d) after subsection (5) insert—

"(5A) In the case of an item 4A, 4B, 7A or 7B triggering event, subsection (4)(a) does not apply as regards notification of the scheme proprietor.";

(e) in subsection (7) for "collective money purchase scheme" substitute "single or connected employer scheme";

(f) after subsection (7) insert—

"(7A) If an item 4A or 4B triggering event occurs in relation to an unconnected multiple employer scheme, the scheme proprietor must (subject to subsections (12) and (13)) give the required notification to the trustees.";

(g) in subsection (9) for "collective money purchase scheme" substitute "single or connected employer scheme";

(h) after subsection (9) insert—

"(9A) If an item 7, 7A, 7B or 9 triggering event occurs in relation to an unconnected multiple employer scheme, the scheme proprietor, if they are aware of the event, must (subject to subsections (12) and (13)) give the required notification to the trustees.".

Approval of implementation strategy: unconnected multiple employer schemes

19. In section 40(5)(d) (approval of implementation strategy), at the end insert—

"(iv) where the scheme is an unconnected multiple employer scheme, any revisions that will be needed to the business plan (see section 14A).".

Powers to extend definition of qualifying schemes: regulations about unconnected multiple employer schemes

20. In section 47 (powers to extent definition of qualifying schemes), after subsection (4) insert—

"(4A) Where regulations under this section make provision in relation to an unconnected multiple employer scheme that corresponds or is similar to provision contained in regulations under another provision of this Part made in relation to a single or connected employer scheme, the regulations under this section are to be treated for the purposes of this Part as having been made under that other provision of this Part to the extent that they contain such provision.".

Interpretation of Part 1 of the Pension Schemes Act 2021

21. In section 49 (interpretation of Part 1)—

(a) in subsection (1)—

(i) before the definition of "administration charge" insert—

""the accounts" of an unconnected multiple employer scheme means the accounts audited by the person appointed as auditor in relation to the scheme under section 47(1)(a) of the Pensions Act 1995 (professional advisers) (and see subsection (1A) below);";

(ii) after the definition of "authorisation criteria" insert—

""chief financial officer", in relation to an unconnected multiple employer scheme, means a person acting in a capacity in which that person has significant influence over either or both of the following—

(a) the management and use of financial resources of the scheme;

(b) business decisions relating to the commercial activities of the scheme;

"chief investment officer", in relation to an unconnected multiple employer scheme, means a person who—

(a) is acting in a capacity in which that person has significant influence over either or both of the following—

(i) the contents of the scheme's investment strategy;

(ii) the implementation, management and communication of the scheme's investment strategy, but

(b) does not have that influence by virtue of a contract or other arrangement—

(i) under which services relating to investments are provided in relation to the scheme, and

(ii) by virtue of which the scheme, or a person acting on behalf of the scheme, has the status of client or customer;

"Code" means a code of practice issued by the Pensions Regulator under section 90 of the Pensions Act 2004(**a**);";

(iii) after the definition of "insolvency event" insert—

""investment strategy", in relation to an unconnected multiple employer scheme, means a document prepared by the trustees setting out the strategy for investing the assets that arise or derive from the payments made by or in respect of members of the scheme;";

(iv) after the definition of "the scheme actuary" insert—

""the scheme proprietor", in relation to an unconnected multiple employer scheme, has the meaning given in section 14B(3);";

(v) after the definition of "triggering event" insert—

""undertaking" has the meaning given in section 1161 of the Companies Act 2006;

"unincorporated association" means any body of persons unincorporate but does not include a partnership.";

(b) after subsection (1) insert—

"(1A) In relation to an unconnected multiple employer scheme which is a section of a qualifying scheme, references in this Part to the scheme's accounts are to be read as references to the accounts of the qualifying scheme as a whole.".

Index of defined expressions

22. In section 50 (index of defined expressions), in the table—

(a) before the entry for "actuarial valuation" insert—

"the accounts (of an unconnected multiple employer scheme)	section 49";

(b) after the entry for "authorisation criteria" insert—

"chief financial officer (in relation to an unconnected multiple employer scheme)	section 49

(**a**) 2004 c. 35. Section 90 was amended by paragraphs 11 and 13 of Schedule 3 to the Pension Schemes Act 2021.

chief investment officer (in relation to an unconnected multiple employer scheme)	section 49
Code	section 49”;

(c) after the entry for “insolvency event” insert—

“investment strategy (in relation to an unconnected multiple employer scheme)	section 49”;

(d) after the entry for “pension scheme” insert—

“promotion or marketing (and related expressions)	section 9(7)”;

(e) after the entry for “qualifying scheme” insert—

“rectification (in relation to promotion or marketing that is unclear or misleading, and related expressions)	section 9(7)”;

(f) at the end of the entry for “relevant former employer” insert “(in relation to a single or connected employer scheme)”;

(g) after the entry for “the scheme actuary” insert—

“the scheme proprietor (in relation to an unconnected multiple employer scheme)	section 49”;

(h) after the entry for “section (of a pension scheme)” insert—

“single or connected employer scheme	section 1(3)”;

(i) after the entry for “triggering events table” insert—

“unconnected multiple employer scheme	section 1(3)
undertaking	section 49
unincorporated association	section 49”.

New Schedules - scheme proprietor accounts etc, business strategy, business plan and promotion or marketing: unconnected multiple employer schemes

23. After Schedule 1 (money purchase benefits) insert—

"SCHEDULE 1A Section 14(3C)(a)(ii) and (b)

UNCONNECTED MULTIPLE EMPLOYER SCHEMES: BUSINESS STRATEGY

PART 1

INFORMATION WHICH MUST BE TAKEN INTO ACCOUNT

1 The scheme's latest accounts (if any).

2 The statement of investment principles (if any) prepared by the trustees of the scheme in accordance with section 35 of the Pensions Act 1995 (investment principles)(**a**).

3 The latest accounts (if any) of the scheme proprietor provided to the Pensions Regulator under section 8 or section 26A.

4 The latest accounts of any undertaking, other than an unincorporated association, that partly or wholly funds the scheme proprietor, provided to the Pensions Regulator under section 8 or section 26A.

PART 2

MATTERS WHICH MUST BE TAKEN INTO ACCOUNT

5 The structure of the scheme and its target market, including any plans to acquire or merge with other schemes.

6 The robustness and prudence of any assumptions in the scheme's business plan (see section 14A) about membership, contributions, income and costs.

7 The planned expenditure of the scheme, the purpose of the expenditure, and how it will be funded.

8 The terms, security and affordability of loans and other funding provided to the scheme, and the identity of each lender or other funding provider.

9 Information about the market in which the scheme operates or is to operate.

10 The experience and professional competence of the individuals involved in running the scheme.

11 Where a business plan has been revised as a result of a significant change to the information included in it (see section 14A(4)), the circumstances that led to the significant change.

12 Any provision made by the trustees and the scheme proprietor to fund contingent liabilities in respect of the scheme.

PART 3

INFORMATION WHICH MAY BE TAKEN INTO ACCOUNT

13 The scheme's accounts, other than the latest accounts.

(**a**) Section 35 was substituted by section 244 of the Pensions Act 2004.

14 Any accounts of the scheme proprietor, and of any undertaking that partly or wholly funds the scheme proprietor, provided to the Pensions Regulator under section 8 or section 26A, other than the latest accounts.

SCHEDULE 1B

Section 14A(2)

UNCONNECTED MULTIPLE EMPLOYER SCHEMES: BUSINESS PLAN - INFORMATION AND REQUIREMENTS

PART 1

INFORMATION WHICH MUST BE INCLUDED IN A BUSINESS PLAN

General

1 The date by reference to which the information in the business plan is stated (the "effective date" of the plan) (see paragraph 26).

2 The period to which the business plan relates, to be no less than three years and no more than five years starting with the effective date of the plan.

3 In each case where estimates are provided in connection with a business plan—

(a) any assumptions used in reaching those estimates, and

(b) the circumstances in which, and the extent to which, the scheme's actual membership, contributions, income and costs may vary from the estimates of those matters.

4 The name of the person who prepared the business plan.

5 A statement, signed by the trustees and the scheme proprietor, confirming—

(a) that the scheme proprietor considers the business plan to give a true and fair representation of the matters to which it relates, and

(b) that the business plan has been approved by the trustees.

Information about the scheme

6 The name by which the scheme is known.

7 The name under which the scheme is registered under Chapter 2 of Part 4 of the Finance Act 2004(**a**) (if the scheme is so registered).

8 Any trading or brand name under which the scheme is promoted or marketed (if different from the names referred to in paragraphs 6 and 7).

9 The date when the scheme was established.

10 The address of the scheme's office most recently notified to HM Revenue and Customs in connection with the scheme's registration under Chapter 2 of Part 4 of the Finance Act 2004 (if the scheme is so registered).

11 The name of—

(a) each trustee of the scheme, and

(b) the scheme proprietor.

(**a**) 2004 c. 12.

12 The name and address of any scheme administrator (within the meaning given by section 270 of the Finance Act 2004(**a**)).

13 The number of participating employers.

14 The number of members, broken down into active members, deferred members, pension credit members and pensioner members (within the meanings given in section 124(1) of the Pensions Act 1995(**b**)).

15 In the three years ending with the effective date of the plan—

(a) the number of members joining the scheme,

(b) the number of members transferring from the scheme, and

(c) the number of members leaving the scheme.

16 The number given to the scheme when it was placed on the register of occupational and personal pension schemes compiled and maintained by the Pensions Regulator under section 59(1) of the Pensions Act 2004 (if the scheme has been so placed).

17 The reference number issued to the scheme by HM Revenue and Customs when the scheme was registered under Chapter 2 of Part 4 of the Finance Act 2004 (if the scheme is so registered).

18 The scheme's objectives and its strategy for meeting them, including delivery milestones.

Information about the scheme proprietor

19 Details of the succession planning in place in the event that—

(a) any single undertaking that provides significant funding to the scheme proprietor ceases to do so, or

(b) two or more undertakings that provide funding to the scheme proprietor which collectively is significant cease to do so.

20 A description of the activities (if any) carried out by the scheme proprietor which do not relate directly to the scheme.

21 The identity of any regulator (other than the Pensions Regulator) that regulates activities carried out by the scheme proprietor.

22 In paragraph 21 "regulator" means—

(a) a person who has responsibility for, or oversight of, an area of activity by virtue of any legislation, or

(b) a person in a country or territory outside the United Kingdom which exercises functions of a public nature corresponding or similar to functions of a person referred to in sub-paragraph (a).

23 A declaration as to the overall competence of the scheme proprietor, with particular reference to the experience, knowledge and professional qualifications of the individuals performing the functions of the scheme proprietor in the exercise of a management or executive role, and plans to improve that competence by way of continuous professional development or otherwise.

(**a**) Section 270 was amended by paragraphs 1 and 9 of Schedule 7 to the Finance Act 2014 (c. 26).

(**b**) The definition of "pension credit member" in section 124(1) was inserted by paragraphs 43 and 61(3) of Schedule 12 to the Welfare Reform and Pensions Act 1999 (c. 30) and the definition of "pensioner member" in section 124(1) was amended by virtue of S.I. 2006/745.

Information following a triggering event

24 Where a triggering event has reduced the value of the financial resources of the scheme (see section 14A(4)(b)), the plans and timetable for restoring the scheme's financial resources to a level likely to satisfy the Pensions Regulator that the scheme is financially sustainable.

PART 2

REQUIREMENTS RELATING TO A BUSINESS PLAN

25 A business plan must be—

(a) in writing, and

(b) in the format set out in a Code.

26 The information in the business plan must be correct as at the later of—

(a) a date chosen by the scheme proprietor, but not earlier than six months before the date when the trustees of the scheme apply to the Pensions Regulator for authorisation,

(b) where a business plan has been revised as a result of a review under section 14A(3), the date the review was completed,

(c) where a business plan has been revised as a result of a significant change to the information included in it, the date on which the significant change occurred, and

(d) where a business plan has been revised as a result of a triggering event reducing the value of the financial resources of the scheme, the earlier of—

(i) one month after the date the triggering event occurred, and

(ii) such date as the Pensions Regulator may notify to the scheme proprietor for the purposes of this paragraph.

27 If a revised business plan is provided in accordance with section 14A(6)(b) or (c) the plan must—

(a) indicate the parts of it which have been revised, and

(b) include a new statement in accordance with paragraph 5.

28 Paragraph 29 applies if—

(a) a triggering event has occurred in relation to the scheme (see section 31),

(b) the trustees are pursuing continuity option 1 or 2 (see sections 36 and 37), and

(c) the Pensions Regulator has approved an implementation strategy relating to the scheme (see sections 39 and 40).

29 Where this paragraph applies, the Pensions Regulator may give notice to the scheme proprietor and the trustees of the scheme specifying that a revised business plan provided during the triggering event period (see section 32)—

(a) must state that the circumstances described in paragraph 28(a) to (c) exist, and

(b) need not—

(i) contain the information specified in Part 1 or set out in a Code as described in section 14A(2)(a), or

(ii) comply with any requirements set out in a Code as described in section 14A(2)(b).

SCHEDULE 1C

Section 14D(1) and (2)

UNCONNECTED MULTIPLE EMPLOYER SCHEMES: PROMOTION OR MARKETING REQUIREMENT

PART 1

NO PROMOTION OR MARKETING THAT IS UNCLEAR OR MISLEADING WITHOUT RECTIFICATION

Consistency

1 Whether information included in promotion or marketing of the scheme is consistent with the information included in—

(a) the document prepared by the scheme actuary(**a**) under regulation 33(3)(b) (soundness of scheme design) of the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025 (S.I. 2025/xxx) for the purposes of the viability report that is the most recent viability report at the time of the promotion or marketing;

(b) the scheme's investment strategy that is the most recent investment strategy at the time of the promotion or marketing;

(c) the summary, if any, published most recently in relation to the scheme at the time of the promotion or marketing, in accordance with regulation 29B(2)(a) of, and paragraph 1A of Schedule 11 to, the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (S.I. 2013/2734) (scheme design statement)(**b**).

Transparency

2 (1) Whether promotion or marketing of the scheme clearly and accurately explains, in accordance with any provision set out in a Code—

(a) how the rate or amount of benefits provided to members under the scheme is determined, including supporting illustrations of what individual members might receive;

(b) that performance of investments can fluctuate;

(c) that the expected value of the rights to benefits is not guaranteed;

(d) that the rate or amount of benefits provided to members under the scheme can fluctuate;

(e) what would happen if the scheme becomes unable to continue to operate;

(f) such other matters as may be set out in a Code.

(**a**) "Scheme actuary" is defined in section 49(1) of the Pension Schemes Act 2021.

(**b**) S.I. 2013/2734; regulation 29B and Schedule 11 were inserted by S.I. 2022/337; paragraph 1A of Schedule 11 is inserted by paragraph 6(5) of Schedule 7 to this instrument.

(2) Whether promotion or marketing of the scheme provides—

(a) access to the summary, published most recently in relation to the scheme at the time of the promotion or marketing, in accordance with regulation 29B(2)(a) of, and paragraph 1A of Schedule 11 to, the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (scheme design statement), or

(b) where such a summary has not been published at the time of the promotion or marketing, information about where the summary will be published and the expected date of publication.

PART 2

PROMOTION OR MARKETING: SYSTEMS AND PROCESSES

Quality assurance

3 Whether there are quality assurance checks to ensure that promotion or marketing of the scheme is clear and not misleading.

Resource planning

4 Whether there are systems and processes for ensuring that there are sufficient individuals, with the relevant skills, knowledge, experience and capacity necessary to enable relevant functions to be carried out by or on behalf of the scheme—

(a) in a manner that secures that promotion or marketing of the scheme is clear and not misleading, and

(b) in accordance with the scheme's systems and processes concerning promotion or marketing of the scheme.

Feedback and complaints

5 Whether there are systems and processes—

(a) for gathering feedback concerning promotion or marketing of the scheme;

(b) for directing complaints concerning promotion or marketing of the scheme to the correct channels for resolution;

(c) for evaluating feedback and complaints concerning promotion or marketing of the scheme and sharing such feedback and complaints with the scheme proprietor and the trustees of the scheme;

(d) for taking into account feedback and complaints concerning promotion or marketing of the scheme in the design of promotion or marketing of the scheme;

(e) for reporting to the scheme proprietor and the trustees as to how feedback and complaints have been taken into account in the design of promotion or marketing of the scheme.

Functionality of IT systems

6 Whether the IT systems used for the purposes of record-keeping in respect of promotion or marketing of the scheme have the necessary capacity and capability to record and manage all documents relating to promotion or marketing of the

scheme (including all documents relating to feedback and complaints) in an accessible form, and to retain those documents for at least six years.

Risk management

7 Whether there are systems and processes for identifying, managing and monitoring risks in respect of promotion or marketing of the scheme.

Governance

8 Whether there are systems and processes—

(a) for the identification of roles and responsibilities in respect of the oversight of promotion or marketing of the scheme;

(b) for the appointment of persons with sufficient skills, knowledge and experience to carry out those roles;

(c) for setting clear objectives concerning promotion or marketing of the scheme and for monitoring whether those objectives are being met within the relevant timescales;

(d) for documenting and reporting to the scheme proprietor and the trustees of the scheme matters relating to the oversight of promotion or marketing of the scheme;

(e) for identifying and addressing any failures in the oversight of promotion or marketing of the scheme;

(f) for ensuring that all persons carrying out relevant functions in relation to the scheme are aware of the requirement that promotion or marketing of the scheme is clear and not misleading.

Interpretation of Part 2

9 In this Part "relevant functions" in relation to a scheme are—

(a) the development, production, provision or review of materials relating to promotion or marketing of the scheme,

(b) record-keeping in respect of promotion or marketing of the scheme,

(c) quality assurance activities in respect of promotion or marketing of the scheme, and

(d) any other functions, in respect of promotion or marketing of the scheme, set out in a Code.".

PART 3

Meaning of "connected"

Connected employers

24.—(1) For the purposes of section 49(2)(b) of the Pension Schemes Act 2021 (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—

(a) 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;

(b) where A employs members of the scheme jointly with B;

(c) in respect of active members of the scheme, following a transfer of those members to A from B;

(d) where A holds or controls, or in the previous six months has held or controlled, at least 33% of the voting power in B;

(e) where A is, or in the previous six months has been, engaged in a joint venture with B.

(2) In paragraph (1)—

"active members" has the meaning given in section 124(1) of the Pensions Act 1995;

"group undertaking" has the meaning given in section 1161(5) of the Companies Act 2006 (meaning of "undertaking" and related expressions);

"joint venture" means an arrangement, contractual or otherwise, by which two or more parties undertake an economic activity that is subject to joint control.

PART 4

Unconnected Multiple Employer Schemes

Chapter 1

Preliminary Provisions

Application

25. This Part applies in relation to unconnected multiple employer schemes(**a**).

Interpretation and notices

26.—(1) In this Part—

"the Act" means the Pension Schemes Act 2021;

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

"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;

"the available assets of the scheme" has the meaning given in section 2(2) of the Act;

"beneficiary", in relation to an unconnected multiple employer scheme, means—

(a) a member of the scheme, or

(b) a person who has survived a member of the scheme and has an entitlement to benefits, or a right to future benefits, under the scheme rules(**b**) in respect of the member;

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

"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;

(**a**) A definition of "unconnected multiple employer schemes" is inserted into the Pension Schemes Act 2021 by regulation 3 of this instrument.

(**b**) "Scheme rules" is defined in section 49(1) of the Pension Schemes Act 2021.

"closed", in relation to an unconnected multiple employer scheme, means closed to new contributions or new members (or both);

"consumer prices index" means the consumer prices index calculated and published by the Office for National Statistics;

"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(**a**);

"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(**b**);

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

"the required amount" has the meaning given in section 2(2) of the Act;

"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 of the scheme 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 Pensions Act 1995(**c**);

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

"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 Pensions Act 2004 are treated as applying where provision made, in whatever terms, by or under Part 1 of the Act authorises or requires a notice or notification to be given to a person in respect of an unconnected multiple employer scheme.

Chapter 2

Schemes Divided into Sections

Qualifying schemes

27.—(1) The following combinations of qualifying benefits(**d**) are to be treated as described in relation to unconnected multiple employer schemes for the purposes of section 3(8) of the Act (qualifying schemes)—

(a) qualifying benefits in respect of which the rates or amounts, by reference to which the qualifying benefits are provided each year under the scheme, are materially different as a result of a change to the scheme's investment strategy;

(**a**) Section 17(2) is amended by regulation 11 of this instrument.
(**b**) "Actuarial valuation" is defined in section 20(2) of the Pension Schemes Act 2021.
(**c**) Section 67A was inserted by section 262 of the Pensions Act 2004.
(**d**) The term "qualifying benefits" is explained in section 2 of the Pension Schemes Act 2021.

(b) qualifying benefits in respect of which the rates or amounts, by reference to which the qualifying benefits are provided each year under the scheme, are subject to materially different expected adjustments, as a result of a change to the scheme's investment strategy.

(2) For the purposes of paragraph (1), whether the combinations of qualifying benefits described in paragraph (1) arise is to be determined by reference to the explanation in the scheme's viability report referred to in paragraph 8(1)(c) of Schedule 2.

(3) This regulation does not apply in relation to a scheme the trustees of which are pursuing continuity option 1.

Schemes divided into sections

28.—(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 virtue of section 1(2)(b) of the Act (collective money purchase benefits and schemes), and

(b) the rate or amounts by reference to which the qualifying benefits provided under that section of the divided scheme are provided each year under the scheme, and the expected adjustments to those rates or amounts, are the same as those provided for under the undivided scheme.

(2) Where an undivided scheme becomes a divided scheme and there are two or more sections of that scheme to which paragraph (1) applies, 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 Pensions Regulator with the following information(**a**)—

(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).

Chapter 3

Authorisation

Application for authorisation: contents

29.—(1) This regulation specifies information that must be included in an application for authorisation under section 8 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)(**b**) and each person exercising a core function in relation to the scheme within the meaning given by regulation 31(4) (fit and proper persons requirement), is—

(a) in the case of an individual—

(**a**) This information is required to enable the Pensions Regulator to carry out its function under section 26(1) of the Pension Schemes Act 2021 (list of authorised schemes).
(**b**) Section 11(2) is amended by regulation 7 of this instrument.

(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) the person's residential address and, if different, the person's address for correspondence;

(v) any other address at which the person has been resident at any time in the period of five years before the date of the application for authorisation;

(vi) a criminal conviction certificate obtained by means of an application in accordance with section 112(1) of the Police Act 1997 (criminal conviction certificates)(**a**), a Level 1 disclosure within the meaning of section 1 of the Disclosure (Scotland) Act 2020(**b**) or, in relation to the law of a country outside the United Kingdom, any document that is equivalent to such a certificate or disclosure;

(b) in the case of a body corporate or partnership—

(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) the residential address of each such individual and, if different, their address for correspondence;

(iv) any other address at which each such individual has been resident at any time in the period of five years before the date of the application for authorisation;

(v) for each such individual, a criminal conviction certificate obtained by means of an application in accordance with section 112(1) of the Police Act 1997 (criminal conviction certificates), a Level 1 disclosure within the meaning of section 1 of the Disclosure (Scotland) Act 2020 or, in relation to the law of a country outside the United Kingdom, any document that is equivalent to such a certificate or disclosure;

(c) in the case of any person, responses to a list of questions that may be asked by the Pensions 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 application must include a statement, signed by the trustees of the scheme, confirming that—

(a) the scheme has a single scheme proprietor in accordance with section 14B of the Act, and

(b) the scheme proprietor meets the requirements set out in section 14C of the Act(**c**).

(5) The other information to be included in an application, in relation to whether no person has carried out promotion or marketing of the scheme that is unclear or misleading without rectification, and whether the scheme has adequate systems and processes for securing that promotion or marketing of the scheme is clear and not misleading is—

(**a**) 1997 c. 50; section 112(1) was amended by section 79(1) of the Protection of Vulnerable Groups (Scotland) Act 2007 (asp 14), section 97(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 and repealed in relation to Scotland by paragraph 3 of Schedule 5 to the Disclosure (Scotland) Act 2020 (asp 13).

(**b**) 2020 asp 13.

(**c**) Sections 14B and 14C are inserted by regulation 10 of this instrument.

(a) if there has been no promotion or marketing of the scheme, and there is no intention for there to be any such promotion or marketing, a statement, signed by the scheme proprietor—

(i) confirming that fact, and

(ii) setting out the reasons why this is the case;

(b) in any other case—

(i) details of any promotion or marketing of the scheme,

(ii) details of the matters set out in Part 1 of Schedule 1C to the Act (no promotion or marketing that is unclear or misleading)(**a**), and

(iii) details of the systems and processes used, or intended to be used, for the purposes of promotion and marketing of the scheme, including details of the matters set out in Part 2 of Schedule 1C to the Act (promotion or marketing: systems and processes).

(6) The application must include a statement, signed by the trustees of the scheme, confirming that no trustee—

(a) promotes or markets the scheme, or

(b) acts as a chief financial officer of the scheme.

(7) 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.

(8) 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.

(9) The other information to be included in an application, in relation to whether (unless required to pursue continuity option 1 by virtue of section 34(3) of the Act) the trustees of the scheme would not be prevented from pursuing continuity option 3, is an explanation by the trustees of why they consider that to be the case, including—

(a) why the trustees do not consider themselves to be constrained or fettered in making a decision to pursue continuity option 3 should a triggering event occur (other than by section 34(3));

(b) whether the trustees are required to, before making that decision—

(i) obtain the consent of employers, the scheme proprietor, members of the scheme or any other person, or

(ii) consult with any person other than employers, the scheme proprietor and members of the scheme.

(10) The other information to be included in an application is—

(a) the name by which the scheme is known;

(b) the name of each employer in relation to the scheme;

(**a**) Schedule 1C is inserted by regulation 23 of this instrument.

(c) the date on which it is proposed that the scheme will begin operating, subject to the Pensions 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;

(g) an explanation of how the scheme satisfies the definition of a collective money purchase scheme under section 1(2) of the Act (collective money purchase schemes), including—

(i) an explanation of how the requirements of section 3 of the Act (qualifying schemes)(**a**) are met in respect of the scheme, and

(ii) where the scheme is a section of a qualifying scheme, an explanation of how the requirements of section 3 of the Act are met in respect of that section.

(11) For the purposes of paragraph (10), the date on which it is proposed that the scheme will begin operating is the date proposed as the date on which, in relation to the scheme, a person is to first accept money as described in section 7(5)(a) or (b) of the Act (authorisation of collective money purchase schemes).

Application for authorisation: fee

30.—(1) Subject to paragraphs (2) and (3), an application for authorisation of an unconnected multiple employer scheme must be accompanied by a fee of £77,000.

(2) If an application for authorisation is made in respect of a section of a pension scheme and, at the time when the application is made another section of that pension scheme is an authorised collective money purchase scheme, the application must be accompanied by such fee as the Pensions Regulator may specify (but see paragraph (4)).

(3) If applications for authorisation are made in respect of two or more sections of the same pension scheme at the same time and, at the time when the applications are made no other section of that pension scheme is an authorised collective money purchase scheme—

(a) one of the applications for authorisation must be accompanied by a fee of £77,000, and

(b) all the other applications for authorisation must each be accompanied by such fee as the Pensions Regulator may specify (but see paragraph (4)).

(4) A fee specified under paragraphs (2) or (3)(b)—

(a) must not exceed £77,000, and

(b) must be calculated on a cost recovery basis.

(5) The Pensions Regulator must pay fees received under this regulation to the Secretary of State, unless the Secretary of State with the consent of the Treasury directs otherwise.

Fit and proper persons requirement

31.—(1) Schedule 1 sets out the matters that the Pensions Regulator must take into account in assessing, for the purposes of section 11 of the Act (fit and proper persons requirement), whether a person is fit and proper to act in a capacity mentioned in section 11(2) of the Act.

(2) Where a person in a capacity mentioned in paragraphs (a) to (d) of section 11(2) is a body corporate or partnership, the Pensions Regulator must assess whether each individual performing the functions of that person in relation to the scheme, in the exercise of a management or executive role, is a fit and proper person to act in relation to the scheme in that capacity.

(**a**) Section 3 is amended by regulation 3 of this instrument.

(3) Where a person exercises a core function in relation to an unconnected multiple employer scheme, the Pensions Regulator may assess whether that person is a fit and proper person to act in such a capacity and if so must take into account the matters set out in Schedule 1.

(4) In this regulation, "core function" includes a strategic, executive or management role carried out in respect of, or on behalf of, a person mentioned in paragraphs (a) to (d) of section 11(2) of the Act.

Scheme design requirement

32. Part 1 of Schedule 2 sets out the matters that the Pensions Regulator must take into account in deciding, for the purposes of section 12 of the Act (scheme design requirement), whether it is satisfied that the design of an unconnected multiple employer scheme is sound.

Viability report

33.—(1) A viability report must include the information specified in Part 2 of Schedule 2.

(2) A viability report must be submitted—

(a) in writing;

(b) in the format set out in a Code.

(3) The following must be prepared or obtained in connection with a viability report—

(a) a copy of the rules of the scheme concerning how the rate or amount of benefits provided under the scheme is to be determined,

(b) a document prepared by the scheme actuary to inform the trustees' consideration as to whether the design of the scheme is sound for the purposes of preparing or reviewing the viability report,

(c) an investment strategy, and

(d) any other information or documents as requested by the Pensions Regulator.

(4) The document described at paragraph (3)(b) must include an explanation of—

(a) the assumptions used by the scheme actuary in carrying out the tests in regulation 34(2)(b) or (c) (as the case may be) and how the use of those assumptions is justified,

(b) the conclusions reached by the scheme actuary on—

(i) the matters contained in regulation 34(2), and

(ii) whether the rules of the scheme meet the requirements of section 18 of the Act (calculation of benefits) and the requirements of regulation 40, and

(c) the testing or modelling being considered by the trustees including the results of such testing or modelling.

(5) Before preparing an investment strategy for the purposes of paragraph (3), the trustees must take advice from a person who is reasonably believed by the trustees to be qualified by their ability in, and practical experience of, financial matters and to have the appropriate knowledge and experience of the management of the investments of such schemes.

(6) A viability report must be prepared—

(a) in the case of the scheme's first viability report, by reference to information as at a date, chosen by the trustees, which must not be earlier than ten months before the date when the trustees apply to the Pensions Regulator for authorisation;

(b) in the case of any subsequent viability report, by reference to information as at a date, chosen by the trustees, which must not be earlier than ten months before the date when the trustees provide the report to the Pensions Regulator.

(7) If a revised viability report is submitted in accordance with section 13(6)(b) of the Act (viability report), the viability report must indicate which parts of it have been revised and why.

Viability certificate

34.—(1) A viability certificate must contain the information specified in Part 3 of Schedule 2.

(2) The scheme actuary must have regard to the following matters when providing a viability certificate and considering whether the design of the scheme is sound—

(a) whether, in the opinion of the scheme actuary, the trustees have, in the scheme's member booklet, the scheme's statement of scheme design and the wording used in the scheme's most recent statements of benefits—

(i) accurately described the methods by which the scheme determines the rate or amount of benefits provided under the scheme;

(ii) accurately described estimates of the rate or amount of any future pension benefits payable under the design of the scheme;

(iii) accurately explained that the future pension benefits payable under the scheme are subject to annual adjustment in accordance with the scheme rules;

(b) in a case where the certificate is being provided in respect of a scheme, the trustees of which are applying for authorisation under section 8 of the Act (application for authorisation), whether the scheme actuary is satisfied that—

(i) the first gateway test is met, and

(ii) the second gateway test is met;

(c) in a case where the certificate is being provided in respect of a scheme which has begun operating and has at least one active member, whether the scheme actuary is satisfied that the live running test is met.

(3) In a case where a final version of the scheme's member booklet, the scheme's statement of scheme design or the wording to be used in the scheme's statements of benefits has not been prepared, the reference to that document or wording, as the case may be, in paragraph (2)(a) is to the latest draft of that document or wording, as the case may be.

(4) The first gateway test is met if the estimate of the projected average annual increase in the first ten years' benefits, calculated on a central estimate basis—

(a) by reference to the contributions to be made into the scheme over the first ten years by or on behalf of or in respect of the expected active members into the scheme,

(b) by reference to the returns expected to be achieved on the available assets of the scheme during the remaining lives of the first ten years' beneficiaries, calculated on a central estimate basis, and

(c) based on the premise that such projected annual increase is to be applied over the remaining lives of the first ten years' beneficiaries,

is no less than the estimate of the projected average annual increase in the prices for goods and services as measured by the consumer prices index, calculated on a central estimate basis.

(5) For the purposes of the first gateway test—

(a) the "first ten years" means the period of ten years beginning with the date on which the scheme is expected to begin operating;

(b) the "first ten years' beneficiaries" means—

(i) the expected active members of the scheme during the first ten years, and

(ii) the expected survivors in relation to the expected active members of the scheme during the first ten years;

(c) the "first ten years' benefits" means the estimated rate or amount of future pension benefits payable under the scheme which relate to the rights to benefits to be accrued under the scheme over a period of ten years beginning with the date on which the scheme is expected to begin operating.

(6) The second gateway test is met if the expected value of the rights to benefits of each active member which are expected to accrue under the scheme during the relevant period is at least equal in value to the amount of the contributions expected to be made by or on behalf of the member into the scheme in that period (not including contributions made by or on behalf of the employers other than any contributions made as a result of a salary sacrifice arrangement).

(7) The live running test is met if the expected value of the rights to benefits of each active member which are expected to accrue under the scheme during the relevant period is at least equal in value to the amount of the contributions expected to be made by or on behalf of the member into the scheme in that period (not including contributions made by or on behalf of the employers other than any contributions made as a result of a salary sacrifice arrangement).

(8) For the purposes of paragraphs (6) and (7)—

(a) the expected value of the rights to benefits which are expected to accrue is to be calculated using the methods and assumptions that would be expected to be used for an actuarial valuation of the scheme;

(b) the "relevant period" is—

(i) in paragraph (6), a period of five years beginning with the date on which the scheme is expected to begin operating;

(ii) in paragraph (7), a period of five years beginning with the date which has been agreed in accordance with paragraph (9) in respect of the viability certificate that is being provided.

(9) A viability certificate must be prepared—

(a) in respect of the scheme's first viability certificate, by reference to information as at a date to be agreed between the trustees and the scheme actuary, but not earlier than ten months before the date when the trustees apply to the Pensions Regulator for authorisation;

(b) in respect of any subsequent viability certificate, by reference to information as at a date to be agreed between the trustees and the scheme actuary, but not earlier than ten months before the date when the certificate is provided to the trustees.

(10) In this regulation—

"member booklet", in relation to a scheme, means a document containing any basic information about the scheme that regulations made under section 113 of the Pension Schemes Act 1993(**a**) (disclosure of information about schemes to members etc.) require the trustees of the scheme to provide to members and, if it is practicable to do so, prospective members (each as defined for the purposes of those regulations);

"salary sacrifice arrangement" has the meaning given to "relevant salary sacrifice arrangements" in section 228ZA(6) of the Finance Act 2004(**b**);

(**a**) 1993 c. 48. Section 113 was amended by section 1(2) of the Employment Rights (Dispute Resolution) Act 1998 (c. 8), sections 52(1) and (2) of the Child Support, Pensions and Social Security Act 2000 (c. 19), paragraphs 9 and 17 of Schedule 12 to the Pensions Act 2004, paragraph 6 of Schedule 5 to the Pensions Act 2007 (c. 22), section 44(1) of the Pensions Act 2014 (c. 19), section 38 of the Pension Schemes Act 2015 (c. 8), section 127(3) of the Pension Schemes Act 2021 and S.I. 2005/2053.

(**b**) Section 228ZA was inserted by paragraph 10(1) of Schedule 4 to the Finance (No. 2) Act 2015 (c. 33).

"statement of benefits", in relation to a scheme, means a document containing, in relation to a member of the scheme, any of the following information that regulations made under section 113 of the Pension Schemes Act 1993 require the trustees of the scheme to provide to the members (as defined for the purposes of those regulations) of the scheme specified by those regulations—

(a) an illustration of the amount of pension that may be payable to that member on their retirement date;

(b) other information related to that illustration;

"statement of scheme design", in relation to a scheme, means information explaining the design of the scheme that regulations made under section 46(1) of the Act (publication of information) require the trustees to publish.

(11) For the purposes of this regulation a scheme begins operating where, in relation to the scheme, a person first accepts money as described in section 7(5)(a) or (b) of the Act.

Financial sustainability requirement

35.—(1) Part 2 of Schedule 3 sets out matters that the Pensions Regulator must take into account in deciding, for the purposes of section 14 of the Act (financial sustainability requirement)(**a**), whether it is satisfied that an unconnected multiple employer scheme is financially sustainable.

(2) Part 3 of Schedule 3 sets out the requirements to be met by an unconnected multiple employer scheme in relation to its financing for the purposes of section 14 of the Act.

Communication requirement

36. Schedule 4 sets out the matters that the Pensions Regulator must take into account in deciding, for the purposes of section 15 of the Act (communication requirement), whether it is satisfied that an unconnected multiple employer scheme has adequate systems and processes for communicating with members and others.

Systems and processes requirement

37. Schedule 5 sets out the matters that the Pensions Regulator must take into account in deciding, for the purposes of section 16 of the Act (systems and processes requirements), whether it is satisfied that the systems and processes used in running an unconnected multiple employer scheme are sufficient to ensure that the scheme is run effectively.

Continuity strategy: contents

38.—(1) A continuity strategy must contain the following information—

(a) the steps the trustees would take to decide which continuity option to pursue (if applicable) and the timescales for taking those steps;

(b) details of—

(i) the main decisions and actions that would need to be taken to protect members' interests during a triggering event period(**b**);

(ii) the person responsible for taking them; and

(iii) the timescales for taking them;

(c) details of strategies for communicating with employers and beneficiaries, including—

(**a**) Section 14 is amended by regulation 9 of this instrument.
(**b**) The term "triggering event period" is explained in section 32 of the Pension Schemes Act 2021.

(i) the information to be provided; and

(ii) the stages at which communication would take place;

(d) details of strategies for communicating with the Pensions Regulator;

(e) details of how the trustees would choose a receiving scheme, if applicable;

(f) details of how the trustees would choose the policy or policies mentioned in paragraph 2(2) of Schedule 6, if applicable;

(g) details of how any periodic income to be paid in accordance with paragraph 7 of Schedule 6 would be calculated and paid, if continuity option 1 were to be pursued;

(h) details of how the value of beneficiaries' accrued rights to benefits would be transferred to a receiving scheme, if applicable;

(i) details of how beneficiaries' personal data would be transferred to a receiving scheme, if applicable;

(j) details of how the payment of benefits would be secured in accordance with paragraph 2(2) of Schedule 6, if applicable;

(k) details of how beneficiaries' personal data would be transferred to an insurer, or insurers, mentioned in paragraph 2(2) of Schedule 6, if applicable;

(l) details of how members' records are to be maintained during a triggering event period;

(m) details of how the quantification of the value of each beneficiary's accrued rights to benefits under the scheme would be carried out;

(n) details of how the trustees would comply with any legal requirements and meet any legal costs arising from a triggering event;

(o) details of how the trustees would comply with any actuarial requirements and meet any actuarial costs arising from a triggering event;

(p) a plan for making decisions concerning the scheme's investment strategy, when a triggering event occurs, and for dealing with scheme investments during a triggering event period;

(q) a plan for dealing with any contributions due from employers and members;

(r) details of how the scheme's administration services would continue after a triggering event;

(s) details of how service providers would be retained and paid during a triggering event period;

(t) details of how implementation of the continuity strategy would be funded;

(u) an estimate of the costs of carrying out the actions set out in the continuity strategy;

(v) a statement, signed by the trustees, confirming that they have approved the continuity strategy, and any revisions to it.

(2) In deciding, for the purposes of section 17 of the Act (continuity strategy requirement), whether it is satisfied that an unconnected multiple employer scheme has an adequate continuity strategy, the Pensions Regulator must take into account the robustness of any assumptions referred to in the following information which have been used for the purposes of estimating figures included in that information—

(a) the plan mentioned at paragraph (1)(p), and

(b) the details mentioned at paragraph (1)(n), (o), (s) and (t).

(3) A continuity strategy must be prepared—

(a) in writing,

(b) in the format set out in a Code, and

(c) in accordance with any further requirements set out in a Code.

(4) In this regulation, "receiving scheme" means a pension scheme to which the value of a beneficiary's accrued rights to benefits under the scheme may be transferred in accordance with Schedule 6.

Continuity strategy: administration charges

39.—(1) With the exception of those administration charges mentioned in regulation 57(1), the section of the continuity strategy setting out the levels of administration charges must set them out as follows.

(2) The section must set out for each charge structure all levels of administration charges in the current scheme year including—

(a) for any additional charges, and the reason for imposing them;

(b) for any third-party charges, and the reason for imposing them;

(c) for any other type of administration charge in the scheme, and the reason for imposing it.

(3) The levels must be set out on an annualised basis.

Chapter 4

Valuation and Benefit Adjustment

Calculation of benefits

40.—(1) The rules of an unconnected multiple employer scheme—

(a) must contain the provisions set out in paragraphs (2) to (5), and

(b) are overridden to the extent that they conflict with those provisions.

(2) In relation to the determination of the value of the available assets of the scheme, the assets to be taken into account are the available assets of the scheme attributed to the scheme in the relevant accounts, excluding any resources invested in contravention of section 40(1) of the Pensions Act 1995 (restriction on employer-related investments).

(3) In relation to the determination of the required amount—

(a) that the trustees must apply the methods set out in the scheme rules;

(b) that the mortality tables used and the demographic assumptions made, having regard to the main characteristics of the members as a group, must be based on a central estimate basis;

(c) that the discount rate must be determined using a central estimate of the estimated future returns on assets held by the scheme or expected to be held in the future;

(d) that the inflation assumptions used must be based on a central estimate basis.

(4) In relation to the adjustment to the rate or amount of benefits provided under the scheme—

(a) that the trustees must apply the methods set out in the scheme rules;

(b) that any such adjustment must be based on the actuarial valuation calculated by reference to the most recent effective date;

(c) that any such adjustment must be applied to all the members of the scheme without variation;

(d) that any such adjustment must be applied on the benefit adjustment date;

(e) that, subject to sub-paragraph (f) and except where there is a multi-annual reduction in effect, the amount of any adjustment required or made to the rate or amount of benefits provided under the scheme that is an increase must be determined on the assumptions that—

(i) that increase will be made in each year of the remaining lives of—

(aa) the beneficiaries of the scheme on the effective date;

(bb) the expected survivors in relation to the members of the scheme on the effective date, and

(ii) that increase will include the projected change in inflation;

(f) that, except where there is a multi-annual reduction in effect, the amount of any adjustment required or made to the rate or amount of benefits provided under the scheme that is an increase must be determined on the assumption that, to the extent that the increase is greater than whichever is higher of—

(i) 2% per annum above the percentage increase in the consumer prices index;

(ii) a percentage per annum above the percentage increase in the consumer prices index, if any, set out in the scheme rules for the purposes of this sub-paragraph,

that part of the increase will not be made in any year other than the year in which the adjustment first takes effect.

(5) In relation to how the rates at which rights to benefits under the scheme accrue are to be determined, that the rates are to be determined with the effect that either—

(a) the expected value of rights to benefits of each active member which are expected to accrue under the scheme during the relevant period, calculated on an actuarial basis, is equal to the value of the contributions expected to be made into the scheme by, on behalf of or in respect of the member in that period, or

(b) in respect of each employer that uses the scheme, the aggregate expected value of the rights to benefits of the active members of the scheme employed by that employer which are expected to accrue under the scheme during the relevant period, calculated on an actuarial basis, is equal to the value of the aggregate contributions expected to be made into the scheme by, on behalf of or in respect of those active members in that period.

(6) For the purposes of paragraph (5) the "relevant period" is such period as is agreed by the trustees of the scheme and the scheme actuary over which the rates at which the rights to benefits under the scheme accrue are expected to be applied.

(7) Subject to paragraph (3), it is for the trustees of an unconnected multiple employer scheme to determine, having obtained advice from the scheme actuary, which assumptions are to be used—

(a) for the purposes of determining the required amount on which the adjustment to the rate or amount of benefits provided under the scheme is based;

(b) for the purposes of paragraph (5).

(8) Paragraphs (9) to (17) apply where the scheme rules of an unconnected multiple employer scheme permit the trustees to apply a multi-annual reduction.

(9) The trustees of an unconnected multiple employer scheme may apply a multi-annual reduction to the rate or amount of benefits provided under the scheme provided that—

(a) the multi-annual reduction is to be applied in full on or before the third benefit adjustment date beginning with the benefit adjustment date which relates to the actuarial valuation as a result of which the multi-annual reduction is to be applied;

(b) the reduction applied in any year of the multi-annual reduction must not be greater than the reduction applied in the previous year of the multi-annual reduction.

(10) Except as provided by paragraph (11), the trustees of an unconnected multiple employer scheme must not vary any planned adjustments under a multi-annual reduction after the first benefit adjustment date which relates to the actuarial valuation as a result of which the multi-annual reduction is to be applied.

(11) Where there is one or more multi-annual reduction or reductions in effect and a subsequent actuarial valuation results in an increase in the rate or amount of benefits provided under the scheme, the trustees, having obtained the advice of the scheme actuary, must vary one or more multi-annual reduction or reductions then in effect, by applying that increase to offset the planned reduction or reductions under the multi-annual reduction or reductions, which take effect on or after the benefit adjustment date following that valuation.

(12) Paragraph (9)(b) does not apply to a multi-annual reduction that has been varied in accordance with paragraph (11).

(13) Any offsetting increase pursuant to paragraph (11) must be applied to the remaining years of the multi-annual reduction or reductions so that the total reduction applied in any year of the multi-annual reduction or reductions must not be greater than the total reduction applied in the previous year of the multi-annual reduction or reductions.

(14) If an offsetting increase has been applied pursuant to paragraphs (11) and (13) so that a multi-annual reduction has been offset in full, such multi-annual reduction will cease to have effect and, if all multi-annual reductions cease to have effect, any remaining increase must be applied in accordance with the scheme rules made pursuant to paragraph (4)(e) and (f).

(15) Where there is a multi-annual reduction in effect and a subsequent actuarial valuation results in a further reduction in the rate or amount of benefits provided under the scheme, that further reduction is to be applied by the trustees, having obtained the advice of the scheme actuary, in addition to the multi-annual reduction which is in effect.

(16) Where there is a single multi-annual reduction in effect and a subsequent actuarial valuation results in a further reduction in the rate or amount of benefits provided under the scheme which is to be applied as a multi-annual reduction (the "second multi-annual reduction")—

(a) paragraph (9)(b) does not apply to the second multi-annual reduction;

(b) the total reduction applied in any year of the second multi-annual reduction must not be greater than the total reduction applied in the previous year of the second multi-annual reduction.

(17) Where there are two (but not more than two) multi-annual reductions in effect and a subsequent actuarial valuation results in a further reduction in the rate or amount of benefits provided under the scheme which is to be applied as a multi-annual reduction (the "third multi-annual reduction")—

(a) paragraph (9)(b) does not apply to the third multi-annual reduction;

(b) the total reduction applied in any year of the third multi-annual reduction must not be greater than the total reduction applied in the previous year of the third multi-annual reduction.

(18) In this regulation—

"benefit adjustment date" means the date set out in the scheme rules on which an adjustment to the rate or amount of benefits provided under the scheme following an actuarial valuation must be applied each year;

"relevant accounts", in relation to an actuarial valuation, are the accounts for the scheme which are prepared in respect of the period ending with the effective date of the actuarial valuation.

Advice of scheme actuary

41. When advising the trustees of an unconnected multiple employer scheme in accordance with section 19(1) of the Act (advice of scheme actuary), the scheme actuary must have regard to any guidance which is relevant to determining the matters mentioned in section 18(1) and (2) of the Act (calculation of benefits) published, and from time to time revised, by—

(a) the Institute and Faculty of Actuaries;

(b) the Pensions Regulator;

(c) the Financial Reporting Council Limited(**a**).

Actuarial valuations

42.—(1) The trustees of an unconnected multiple employer scheme must obtain—

(a) an actuarial valuation in which the effective date falls within the period of one year beginning with the day on which the scheme begins operating, and

(b) subsequent actuarial valuations in which the effective date is not more than one year after the effective date of the previous actuarial valuation.

(2) At any time prior to the certification of the actuarial valuation by the scheme actuary(**b**), the trustees of an unconnected multiple employer scheme may, where the scheme rules so permit, instruct the scheme actuary—

(a) to adjust the value of the available assets of the scheme to account for changes in asset values since the effective date;

(b) to adjust the value of the required amount to account for changes to the scheme membership or other relevant matters since the effective date.

(3) Before instructing the scheme actuary to make an adjustment described in paragraph (2) the trustees of an unconnected multiple employer scheme must obtain written advice from the scheme actuary.

(4) An actuarial valuation prepared in accordance with section 20(1) of the Act (actuarial valuations) must contain the following—

(a) the methods and assumptions used for the actuarial valuation and how these have been derived;

(b) the scheme actuary's certification that the matters mentioned in section 20(2) of the Act have been determined in accordance with the scheme rules;

(c) the total number of members enrolled in the scheme as at the effective date, including a breakdown of the number of active members, deferred members, pension credit members and pensioner members, and of survivors entitled to the payment of benefits under the scheme;

(d) the average age of the active members, deferred members, pension credit members and pensioner members in the scheme as at the effective date;

(e) the amount of all benefits in payment as at the effective date;

(**a**) A company registered in England and Wales with number 02486368.
(**b**) See section 21 of the Pension Schemes Act 2021 (certificate that actuarial valuation prepared in accordance with scheme rules).

(f) the effective date of the previous actuarial valuation;

(g) the value of the available assets of the scheme and the required amount set out in the previous actuarial valuation;

(h) whether an adjustment to the rate or amount of the benefits provided under the scheme was required following the previous actuarial valuation;

(i) where an adjustment to the rate or amount of the benefits provided under the scheme was required following the previous actuarial valuation, the details of the adjustment and the date the adjustment was applied;

(j) where an increase has been determined on the assumption that part of the increase will not be made in any year other than the year in which the adjustment first takes effect pursuant to regulation 40(4)(f)—

(i) the reason why the increase was determined on that assumption;

(ii) details of how the determination was applied in relation to members of the scheme;

(k) a statement as to whether any multi-annual reduction is in effect as at the effective date;

(l) where a multi-annual reduction is in effect, the details of the arrangement including—

(i) the duration of the multi-annual reduction;

(ii) the rate of reduction for each year of the arrangement;

(iii) confirmation that previous reductions have been applied in accordance with the details of the arrangement;

(iv) the number of years remaining until the multi-annual reduction is applied in full;

(v) any variation to the multi-annual reduction as a result of applying an increase to offset the planned reduction under the multi-annual reduction in accordance with regulation 40(11), including the effect of that offsetting increase on the planned reduction in the remaining years of the multi-annual reduction;

(m) where a multi-annual reduction would have been in effect as at the effective date but has ceased to have effect in accordance with regulation 40(14), the details of—

(i) when such multi-annual reduction ceased to have effect;

(ii) any remaining increase that has been applied in accordance with regulation 40(14);

(n) in relation to the methods and assumptions used for the actuarial valuation—

(i) where there has been no change compared to the methods and assumptions used for the previous actuarial valuation, a statement setting out why the methods and assumptions continue to be appropriate for the scheme, or

(ii) where there has been a change compared to the methods and assumptions used for the previous actuarial valuation, a statement setting out the justification for any changes to the methods or assumptions used.

(5) The requirements set out at paragraph (4)(f) to (i) and (k) to (n) do not apply to an actuarial valuation prepared in accordance with paragraph (1)(a).

(6) The trustees of an unconnected multiple employer scheme must obtain an actuarial valuation within a period of ten months beginning with the effective date of the valuation.

(7) The trustees of an unconnected multiple employer scheme must secure that any actuarial valuation obtained by them is made available to the Pensions Regulator before the end of the period of ten days beginning with the date on which they obtain it.

(8) In this regulation—

(a) "deferred member", "pension credit member" and "pensioner member" have the meanings given in section 124(1) of the Pensions Act 1995;

(b) the day on which a scheme begins operating is the day on which, in relation to the scheme, a person first accepts money as described in section 7(5)(a) or (b) of the Act.

Reporting requirements relating to benefit adjustments

43. A report under section 22(2) of the Act (benefits adjustments) must, in addition to an explanation of why the adjustment was not made in accordance with the most recent actuarial valuation or (as the case may be) does not take effect in accordance with the scheme rules, contain the following information—

(a) the level of any adjustments applied;

(b) the level of the benefit adjustment that should have been applied in accordance with the most recent actuarial valuation or (as the case may be) the scheme rules;

(c) any proposed remedial actions;

(d) a timetable for implementing any remedial actions;

(e) a statement as to whether the failure to apply the benefit adjustment in accordance with the most recent actuarial valuation or (as the case may be) the scheme rules will or is likely to result in any negative impact on the scheme's ongoing ability to provide the pension benefits under the design of the scheme;

(f) where there is or is likely to be a negative impact on the scheme's ongoing ability to provide the pension benefits, details of any proposed actions to address this.

Powers of the Pensions Regulator

44. A direction issued by the Pensions Regulator under section 23(2)(a) of the Act (powers of the Pensions Regulator) in relation to an unconnected multiple employer scheme must set out the matters that the Regulator has considered in determining to issue the direction.

Chapter 5

Ongoing Supervision

Supervisory return: contents

45. The Pensions Regulator may require the following information to be included in a supervisory return required under section 27(1) of the Act, to the extent that it has not already been provided to the Regulator—

(a) details of how trustees' competence is being maintained, with particular reference to their compliance with the knowledge and understanding requirements in sections 247 (requirement for knowledge and understanding: individual trustees), 248 (requirement for knowledge and understanding: corporate trustees) and 249 (requirement for knowledge and understanding: supplementary) of the Pensions Act 2004(**a**) as applicable;

(b) any other information that is relevant to the authorisation criteria listed in section 9(3) of the Act (decision on application)(**b**).

Significant events

46.—(1) The following are significant events for the purposes of section 28 of the Act (duty to notify the Pensions Regulator of significant events)—

(**a**) Section 248(8) was amended by S.I. 2009/1941.
(**b**) Regulation 5 of this instrument amends section 9(3).

(a) a proposal to change or add to the persons involved in the scheme in the capacities mentioned in section 11(2) of the Act (fit and proper persons requirement);

(b) an individual who is involved in the scheme in a capacity mentioned in section 11(2) of the Act, or whose involvement in the scheme in that capacity has been suspended while the individual's appointment is being considered—

(i) is convicted of an offence;

(ii) enters bankruptcy;

(iii) has a County Court judgment registered, or in Scotland a decree of the Sheriff Court issued, against the individual;

(iv) is sanctioned by a regulator other than the Pensions Regulator;

(v) is disqualified as a company director;

(vi) has been the subject of an adverse judgment or has reached a settlement in civil proceedings, including in connection with investment or other financial business, misconduct, fraud or the formation or management of a body corporate;

(vii) has contravened any of the requirements or standards of a regulator, including the Pensions Regulator;

(viii) has a change of circumstances, through ill health or otherwise, which materially impairs the individual's ability to operate in a capacity mentioned in section 11(2) of the Act;

(ix) has any other change of circumstances which the person required to give notice considers likely to affect the Pensions Regulator's assessment under section 11 of the Act of whether the individual is a fit and proper person;

(c) a significant change to the scheme's investment strategy;

(d) a proposal to change the design of the scheme including, but not limited to, the following—

(i) a proposal that the scheme should become a closed scheme;

(ii) where the scheme is a collective money purchase scheme by virtue of section 1(2)(a) of the Act (collective money purchase benefits and schemes) and the scheme is not divided into sections, a proposal for the scheme to become a scheme that is divided into sections;

(e) where the scheme is a collective money purchase scheme by virtue of section 1(2)(b) of the Act, a proposal to provide qualifying benefits, or other benefits, under a new section of the qualifying scheme;

(f) a failure to obtain a viability certificate in accordance with section 13(4) or (5) of the Act (viability report);

(g) an event which, in the opinion of a person mentioned in section 28(2) of the Act (duty to notify the Pensions Regulator of significant events)(**a**), undermines, or is likely to undermine, the soundness of the design of the scheme;

(h) an event which has resulted or, in the opinion of a person mentioned in section 28(2) of the Act, is likely to result in the scheme being unable to meet the requirements of Part 3 of Schedule 3;

(i) the scheme is unable or, in the opinion of a person mentioned in section 28(2) of the Act, is unlikely to be able to meet its running costs;

(**a**) Section 28(2) is amended by regulation 14 of this instrument.

(j) in the opinion of a person mentioned in section 28(2) of the Act, the scheme will be unable or is unlikely to be able, to meet the costs mentioned in section 14(2)(b) of the Act (financial sustainability requirement);

(k) a failure of the systems or processes used in running the scheme which has a significant adverse effect on the security or quality of data or on service delivery;

(l) a failure of the systems and processes for communicating with relevant persons which has a significant adverse effect on communications with relevant persons;

(m) a proposal to make a significant change to the systems and processes used in running the scheme (including the systems and processes for communicating with relevant persons), including a change in who the persons are that are responsible for delivering key services to the scheme;

(n) an investigation of the scheme, or of a person involved in the scheme, by a regulator or other competent authority inside or outside the United Kingdom;

(o) a proposal to begin promotion or marketing of the scheme;

(p) in the opinion of a person mentioned in section 28(2) of the Act, a person has carried out promotion or marketing of the scheme that is unclear or misleading;

(q) a change that requires revision of a business plan under section 14A(4) of the Act (financial sustainability requirement: business plan)(**a**);

(r) a failure to meet a key milestone, target, estimate or assumption in the business plan;

(s) the scheme is unable or unlikely to meet its liabilities on demand;

(t) the scheme is unable or unlikely to meet the level of assets or liquidity agreed with the Pensions Regulator and set out in the business plan;

(u) a change to the financial reporting period to be used in the accounts of the scheme or scheme proprietor;

(v) an event which, in the opinion of a person mentioned in section 28(2) of the Act, undermines, or is likely to undermine, the ability of the trustees of the scheme to pursue continuity option 3 whenever they consider it appropriate to do so, should a triggering event occur (other than where section 34(3) of the Act requires the trustees to pursue continuity option 1).

(2) In this regulation, the significant events listed in paragraph (1)(a), (c) to (e), (g), (h), (k) to (p) and (v) are specified significant events.

(3) A person who is required to give notice of a specified significant event and who is aware of the specified further information relating to that event set out in paragraphs (4) to (11) as applicable, must provide the specified further information, in writing, to the Pensions Regulator, as soon as reasonably practicable.

(4) Where the specified significant event is a proposal or a change mentioned in paragraph (1)(a), (c) to (e) or (m), the specified further information relating to that event is—

(a) details of the proposal or change;

(b) the reasons for the proposal or change;

(c) the objectives of the proposal or change;

(d) how the interests of members of the scheme have been taken into account.

(5) Where the specified significant event is that an event mentioned in paragraph (1)(g) has occurred, the specified further information relating to that event is—

(a) the nature of the event;

(**a**) Section 14A is inserted by regulation 10 of this instrument.

(b) the reasons why the person mentioned in paragraph (1)(g) is of the opinion that the event undermines, or is likely to undermine, the soundness of the design of the scheme.

(6) Where the specified significant event is that an event mentioned in paragraph (1)(h) has occurred, the specified further information relating to that event is—

(a) the nature of the event;

(b) if the person mentioned in paragraph (1)(h) is of the opinion that the event is likely to result in the scheme being unable to meet the requirements of Part 3 of Schedule 3, the reasons for this opinion.

(7) Where the specified significant event is that a failure mentioned in paragraph (1)(k) or (l) has occurred, the specified further information relating to that event is—

(a) the nature of the failure;

(b) the contact details of the person with responsibility for addressing the effect of the failure.

(8) Where the specified significant event is an investigation of the scheme, or of a person involved in the scheme, by a regulator or other competent authority inside or outside the United Kingdom, the specified further information relating to that event is—

(a) the nature of the investigation;

(b) the contact details of the regulator or other competent authority.

(9) Where the specified significant event is a proposal mentioned in paragraph (1)(o), the specified further information relating to that event is—

(a) the details of the proposal;

(b) the reasons for the proposal;

(c) the objectives of the proposal;

(d) how the interests of the members of the scheme have been taken into account;

(e) how it is proposed the authorisation criterion in section 9(3)(cb)(ii) of the Act (promotion and marketing systems and processes)(**a**) will be met.

(10) Where the specified significant event is that, in the opinion of a person mentioned in section 28(2) of the Act, the activity mentioned in paragraph (1)(p) has occurred, the specified further information relating to that event is—

(a) the nature of the promotion or marketing;

(b) the reasons why the person is of the opinion that the promotion or marketing is unclear or misleading.

(11) Where the specified significant event is that an event mentioned in paragraph (1)(v) has occurred, the specified further information relating to that event is—

(a) the nature of the event;

(b) the reasons why the person mentioned in paragraph (1)(v) is of the opinion that the event undermines, or is likely to undermine, the ability of the trustees of the scheme to pursue continuity option 3 whenever they consider it appropriate to do so, should a triggering event occur.

(**a**) Section 9(3)(cb) is inserted by regulation 5 of this instrument.

Risk notices

47.—(1) The date referred to in section 29(3)(b) of the Act (risk notices) must fall within the period of 14 days beginning with the date on which the risk notice was issued.

(2) The date referred to in section 29(4) of the Act(**a**) must fall within the period of seven days beginning with the date on which the further notice was issued.

(3) A progress report required by section 29(7)(a) of the Act(**b**) must be submitted before the end of the period of 14 days beginning with the date on which the Pensions Regulator notifies the trustees or the scheme proprietor that it is satisfied that the proposals in the resolution plan are likely to be adequate to resolve the issue of concern.

(4) A risk notice must—

(a) state that the Pensions Regulator considers—

(i) that the issue identified in the notice is an issue of concern in relation to the scheme, and

(ii) that the scheme will breach the authorisation criteria, or is likely to breach them, if the issue is not resolved,

(b) contain a statement of the Pensions Regulator's grounds for its consideration and of the evidence on which its consideration is based, and

(c) explain that section 10 of the Pensions Act 1995 (civil penalties) applies to a trustee or a scheme proprietor who fails to comply with the notice.

Chapter 6

Triggering Events and Continuity Options

Triggering events: notification requirements

48.—(1) A trustee who is required to give a required notification under section 33(3A) of the Act (notification of triggering events in relation to an unconnected multiple employer scheme)(**c**) must notify each employer and the scheme proprietor of the following matters—

(a) that, unless not required to submit an implementation strategy by virtue of section 39(2)(a) or (3)(a) of the Act, the trustees—

(i) have submitted an implementation strategy(**d**) to the Pensions Regulator and the date on which they did so, or (as the case may be) will submit an implementation strategy to the Pensions Regulator before the end of the period specified in regulation 49, and

(ii) will make the implementation strategy available to each employer and the scheme proprietor after it has been approved by the Pensions Regulator;

(b) the timetable for future communications with each employer and the scheme proprietor.

(2) Notifications under section 33 of the Act(**e**) must be given before the end of the period of—

(a) in the case of notifications to the Pensions Regulator, seven days,

(b) in the case of notifications to an employer or the scheme proprietor, 14 days, or

(c) in the case of notifications to trustees, two days,

(**a**) Section 29(4) is amended by regulation 15 of this instrument.
(**b**) Section 29(7) is amended by regulation 15 of this instrument.
(**c**) Section 33(3A) is inserted by regulation 18(c) of this instrument.
(**d**) "Implementation strategy" is defined in section 49(1) of the Pension Schemes Act 2021.
(**e**) Section 33 is amended by regulation 18 of this instrument.

beginning with the date specified in paragraph (3).

(3) The specified date is—

(a) the date on which the triggering event occurred, in the case of—

(i) notifications given under section 33(1) of the Act—

(aa) in respect of an item 4A, 4B or 7A triggering event, by the scheme proprietor;

(bb) in respect of an item 6 or 8 triggering event, by the person who made the decision;

(cc) in respect of an item 10 triggering event, by the trustees;

(ii) notifications given under section 33(7A) or (8) of the Act;

(b) the date on which the scheme proprietor ends the relationship or arrangement with the scheme by virtue of which it is the scheme proprietor, in the case of notifications given under section 33(1) of the Act by the scheme proprietor in respect of an item 7B triggering event;

(c) the date on which the person under the duty to notify became aware that the event had occurred, in the case of—

(i) notifications given under section 33(1) of the Act which are not mentioned in sub-paragraph (a)(i) or (b);

(ii) notifications given under section 33(3A) or (9A) of the Act.

Implementation strategy: approval

49. Where the trustees of an unconnected multiple employer scheme are required to submit an implementation strategy to the Pensions Regulator for approval, it must be submitted before the end of the period of 28 days beginning with the date on which—

(a) the decision to withdraw authorisation becomes final, in relation to an item 1 or 2 triggering event, or

(b) the triggering event occurred, in relation to an item 3 to 10 triggering event.

Implementation strategy: charges

50.—(1) The information to be included in the implementation strategy about the levels of administration charges in relation to members of the scheme—

(a) must relate to the levels of administration charges for the scheme years specified in paragraph (2), and

(b) with the exception of those administration charges mentioned in regulation 57(1), must be set out in accordance with paragraphs (3) and (4).

(2) The specified scheme years are—

(a) the scheme year in which the triggering event occurred, and

(b) the scheme year preceding the one in which the triggering event occurred.

(3) The trustees must set out for each charge structure all levels of administration charges including—

(a) for any additional charges, and the reason for imposing them;

(b) for any third-party charges, and the reason for imposing them;

(c) for any other type of administration charge in the scheme, including the reason for imposing it.

(4) The levels in paragraph (3) must be set out on an annualised basis.

(5) During a triggering event period for an unconnected multiple employer scheme, the trustees must not impose administration charges on or in respect of members at levels above the fixed charge level.

(6) For the purposes of paragraph (5) the fixed charge level is calculated as follows—

(a) the trustees must compare each level from the levels set out in the implementation strategy for the scheme year in paragraph (2)(a) with the corresponding level from the levels set out for the scheme year in paragraph (2)(b), and take the lower of the two levels as the fixed charge level, and

(b) where the triggering event period is more or less than a full year, the levels in sub-paragraph (a) must be applied on a pro rata basis.

Implementation strategy: content

51.—(1) An implementation strategy must contain—

(a) details of—

(i) the main decisions and actions that will be taken, in relation to the continuity option being pursued, to address the triggering event that has occurred,

(ii) the person responsible for taking them, and

(iii) the timescales for taking them;

(b) a communications plan setting out what information will be communicated to employers and beneficiaries and when, including information about—

(i) the continuity option being pursued, and

(ii) key milestones and when they are to be (or were) achieved;

(c) if continuity option 1 is being pursued, a plan setting out how the scheme's liability to each beneficiary in respect of the value of their accrued rights to benefits under the scheme is to be discharged under the proposal formulated by the trustees in accordance with section 36(1)(b) of the Act (continuity option 1: discharge of liabilities and winding up);

(d) if continuity option 1 is being pursued, details of how any periodic income to be paid in accordance with paragraph 7 of Schedule 6 would be calculated and paid;

(e) a plan setting out how the integrity of members' records will be maintained during the triggering event period;

(f) details of how assets held by the scheme would be converted into a cash equivalent of the value of each beneficiary's accrued rights to benefits under the scheme, if applicable;

(g) details of how the trustees will comply with any legal requirements and meet any legal costs arising from the triggering event that has occurred and the continuity option being pursued;

(h) details of how the trustees will comply with any actuarial requirements and meet any actuarial costs arising from the triggering event that has occurred and the continuity option being pursued;

(i) details of how scheme investments will be managed during the triggering event period;

(j) a plan for dealing with any outstanding contributions due from employers and members;

(k) details of how the scheme's administration services will continue during the triggering event period;

(l) details of how service providers are to be retained and paid during the triggering event period;

(m) details of how carrying out the steps identified in the implementation strategy, including steps relating to the continuity option being pursued, is to be funded;

(n) details of when and how the process of determining the rate or amount of benefits provided under the scheme is to be carried out in accordance with section 18 of the Act (calculation of benefits), if applicable.

(2) An implementation strategy must be prepared—

(a) in writing,

(b) in the format set out in a Code, and

(c) in accordance with any further requirements set out in a Code.

(3) After approval by the Pensions Regulator, the implementation strategy must be made available to the scheme proprietor and the employers in relation to the scheme before the end of the period of seven days beginning with the date on which the Pensions Regulator notifies the trustees that the implementation strategy is approved.

Continuity option 1: discharge of liabilities and winding up

52. Schedule 6 applies when the trustees of an unconnected multiple employer scheme are required, or decide, to pursue continuity option 1.

Continuity option 2: resolving the triggering event

53. A notification to the Pensions Regulator setting out how the trustees consider that a triggering event ("the relevant event") has been resolved under section 37(2) of the Act (continuity option 2: resolving the triggering event) must be given before the end of the period of 14 days beginning with the later of—

(a) the date on which the relevant event was, in the trustees' opinion, resolved, and

(b) if any other event within the second column of the triggering events table has occurred in relation to the scheme since the occurrence of the relevant event, the date on which such other events have, in the trustees' opinion, been resolved.

Continuity option 3: conversion to closed scheme

54.—(1) A notification to the Pensions Regulator under section 38(2) of the Act (continuity option 3: conversion to closed scheme) must be given before the end of the period of 28 days beginning with the date on which the trustees consider that preparations for the conversion of the scheme into a closed scheme are complete.

(2) Preparations for the conversion of the scheme into a closed scheme are not complete unless the steps identified in the implementation strategy, in order to carry out continuity option 3, are complete.

Periodic reporting requirement

55.—(1) The first report under section 43(1) of the Act (periodic reporting requirements) must be submitted to the Pensions Regulator before the end of the period of 14 days beginning with the date on which the Regulator notifies the trustees that the implementation strategy is approved.

(2) The reports under section 43 of the Act must record—

(a) decisions made by the trustees and employers concerning the continuity option being pursued;

(b) where continuity option 1 is being pursued, decisions made by the trustees and employers in relation to the proposal formulated in accordance with section 36(1)(b) of the Act (continuity option 1: discharge of liabilities and winding up) for discharging the scheme's liability to each beneficiary.

(3) The reports under section 43 of the Act must contain the following information—

(a) if the person preparing the report is not an independent trustee appointed pursuant to section 23(1) of the Pensions Act 1995 (power to appoint independent trustees)(**a**), the name and address of that person;

(b) the name and address of the scheme actuary;

(c) a statement as to whether any of the scheme's administration services are being carried out by a person other than a trustee, and if so the name and address of that person;

(d) the timescales for completing the steps identified in the implementation strategy;

(e) details of whether any particular issues are affecting the trustees' ability to pursue or complete the steps identified in the implementation strategy.

Pause orders

56. Where a pause order containing a direction under section 44(5)(e) of the Act (pause orders) has effect in respect of a scheme, section 99 of the Pension Schemes Act 1993 (trustees' duties after exercise of option)(**b**) has effect in relation to that scheme as if for subsection (2)(c) of section 99 there were substituted—

"(c) in the case of an application which relates to money purchase benefits that are collective money purchase benefits, by the later of—

(i) the last day of the period of six months beginning with the date of the application or such longer period beginning with that date as may be prescribed, or

(ii) where a pause order made under section 44(2) of the Pension Schemes Act 2021 and containing a direction under section 44(5)(e) of that Act has effect in relation to that scheme before the last day of the period referred to in sub-paragraph (i), the last day of the period of three months beginning with the date on which the pause order ceases to have effect.".

Administration charges during a triggering event period

57.—(1) Subsections (1) and (2) of section 45 of the Act do not apply in relation to the following administration charges—

(a) costs incurred as a result of the buying, selling, lending or borrowing of investments;

(b) where a court order provides for the recovery by the trustees of costs incurred in complying with the order, the amount of those costs;

(c) charges permitted by regulations made under section 24 (charges by pension arrangements in relation to earmarking orders) or section 41 (charges in respect of pension sharing costs) of the Welfare Reform and Pensions Act 1999(**c**);

(d) costs solely associated with the provision of death benefits;

(**a**) Section 23 was substituted by section 36(1) and (3) of the Pensions Act 2004.
(**b**) Section 99(2) was substituted by paragraphs 3 and 13 of Schedule 4 to the Pension Schemes Act 2015 and was amended by section 25(1) and (4) of the Pension Schemes Act 2021.
(**c**) 1999 c. 30; section 24 was amended by paragraph 158 of Schedule 27, and Schedule 30, to the Civil Partnership Act 2004 (c. 33).

(e) costs solely attributable to holding physical assets.

(2) Section 45(2) of the Act does not apply, in respect of a receiving scheme that is a Master Trust scheme, in relation to any administration charges imposed on or in respect of a member of the scheme in relation to a member's flexi-access drawdown fund.

(3) Section 45 of the Act, with the exception of subsection (1), applies to a relevant alternative receiving scheme in the same way as it applies to a receiving scheme that is a Master Trust scheme.

(4) For the purposes of paragraph (3), a relevant alternative receiving scheme is a receiving scheme that—

(a) is an occupational pension scheme(**a**), and

(b) is not a collective money purchase scheme or a Master Trust scheme.

(5) For the purposes of paragraph (1)(e), the costs solely attributable to holding a physical asset include—

(a) the costs of managing and maintaining the asset;

(b) fees for valuing the asset;

(c) the cost of insuring the asset;

(d) ground rent, charges, rates, taxes and utilities bills incurred in relation to the asset.

(6) In this regulation—

"commodity" means any goods of a fungible nature that are capable of being delivered, including metals and their ores and alloys, agricultural products and energy such as electricity, but not including cash or financial instruments (within the meaning of article 3 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001(**b**));

"member's flexi-access drawdown fund" has the meaning given in paragraph 1(1) of Schedule 6;

"physical asset" means an asset whose value depends on its physical form, including—

(a) land,

(b) buildings and other structures on land or sea,

(c) vehicles, ships, aircraft or rolling stock, and

(d) commodities;

"receiving scheme" has the meaning given in section 45(8) of the Act.

(**a**) Section 49(1) of the Pension Schemes Act 2021 provides that "occupational pension scheme" has the same meaning as in the Pension Schemes Act 1993.

(**b**) S.I. 2001/544. The definition of financial instrument was inserted by S.I. 2006/3384, and was amended by S.I. 2017/488 and 2019/632. There are other amendments to article 3 which are not relevant to this instrument.

PART 5

Amendment of the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022

Amendment of the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022

58. The Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022(**a**) are amended in accordance with regulations 59 to 77.

Application

59. After regulation 1 (citation, extent and commencement) insert—

"Application

1A.—(1) Parts 2 to 6 and Part 1 insofar as it relates to those Parts apply in relation to single or connected employer schemes(**b**).

(2) Part 7 and Part 1 insofar as it relates to Part 7 apply in relation to all collective money purchase schemes.".

Amendment of regulation 2: interpretation and notices

60. In regulation 2(1) (interpretation and notices)—

(a) in the definition of "Code", at the end insert "under section 90 of the Pensions Act 2004";

(b) after the definition of "multi-annual reduction" insert—

""pension credit member" has the meaning given in section 124(1) of the 1995 Act;".

Omission of regulation 3

61. Omit regulation 3 (connected employers).

Amendment of regulation 4: qualifying schemes

62. For regulation 4(1) (qualifying schemes) substitute—

"(1) The combinations of qualifying benefits described for the purposes of section 3(8) of the Act (qualifying schemes) are—

(a) qualifying benefits in respect of which the rates or amounts by reference to which the qualifying benefits are provided each year under the scheme are different;

(b) qualifying benefits in respect of which the rates or amounts of contributions paid by the employer are different;

(c) qualifying benefits in respect of which the rates or amounts of contributions paid by the employee are different;

(**a**) S.I. 2022/255; amended by S.I. 2024/334.

(**b**) "Single or connected employer scheme" is defined for the purposes of Part 1 of the Pension Schemes Act 2021 in section 1(3) of that Act (inserted by regulation 3(1) of this instrument).

(d) qualifying benefits in respect of which the normal pension ages as specified in the rules of the scheme are different.".

Amendment of regulation 5: schemes divided into sections

63. In regulation 5 (schemes divided into sections)—

(a) for paragraph (1)(b) substitute—

"(b) the rates or amounts, and age, described in regulation 4(1), and specified in the rules by reference to which the qualifying benefits are provided under that section of the divided scheme, are the same as those provided for under the undivided scheme.";

(b) in paragraph (2) for "providing benefits with the same characteristics set out in regulation 4(1)" substitute "of that scheme to which paragraph (1) applies".

Amendment of regulation 6: authorisation - contents

64. In regulation 6 (authorisation: contents)—

(a) in paragraph (2)(a)(v)—

(i) after "(criminal conviction certificates)" insert ", a Level 1 disclosure within the meaning of section 1 of the Disclosure (Scotland) Act 2020";

(ii) for "any equivalent document" substitute "any document that is equivalent to such a certificate or disclosure";

(b) in paragraph (2)(b) for "section 11(2)(a) to (d)" substitute "section 11(2) of the Act";

(c) in paragraph (6), at the end insert—

";

(g) an explanation of how the scheme satisfies the definition of a collective money purchase scheme under section 1(2) of the Act (collective money purchase schemes), including—

(i) an explanation of how the requirements of section 3 of the Act (qualifying schemes) are met in respect of the scheme, and

(ii) where the scheme is a section of a qualifying scheme, an explanation of how the requirements of section 3 of the Act are met in respect of that section".

Amendment of regulation 8: fit and proper persons requirement

65. In regulation 8(2) (fit and proper persons requirement), omit "For the purposes of section 11(2)(e) of the Act,".

Amendment of regulation 10: viability report

66. In regulation 10(4) (viability report), for sub-paragraph (b) substitute—

"(b) the conclusions reached by the scheme actuary on—

(i) the matters contained in regulation 11(2);

(ii) whether the rules of the scheme meet the requirements of section 18 of the Act (calculation of benefits) and the requirements of regulation 17; and".

Amendment of regulation 11: viability certificate

67. In regulation 11 (viability certificate)—

(a) in paragraph (2)—

(i) omit sub-paragraph (a);

(ii) in sub-paragraph (b)—

(aa) before "member booklet" insert "scheme's";

(bb) before "statement of scheme design" insert "scheme's";

(cc) before "most recent" insert "scheme's";

(b) in paragraph (3)—

(i) before "member booklet" insert "scheme's";

(ii) before "statement of scheme design" insert "scheme's";

(iii) before "statements of benefits" insert "scheme's";

(c) in paragraph (12)—

(i) in the definition of "member booklet"—

(aa) after ""member booklet"" insert ", in relation to a scheme,";

(bb) omit ", in relation to a collective money purchase scheme,";

(ii) in the definition of "statement of benefits"—

(aa) after ""statement of benefits"" insert ", in relation to a scheme,";

(bb) for "a collective money purchase" substitute "the";

(cc) omit sub-paragraph (ii);

(iii) in the definition of "statement of scheme design"—

(aa) after ""statement of scheme design"" insert ", in relation to a scheme,";

(bb) for "a collective money purchase" substitute "the".

Amendment of regulation 17: calculation of benefits

68. In regulation 17 (calculation of benefits)(**a**)—

(a) in paragraph (4), for sub-paragraph (e) substitute—

"(e) that, except where there is a multi-annual reduction in effect, the amount of any adjustment required or made to the rate or amount of benefits provided under the scheme that is an increase must be determined on the assumptions that—

(i) that increase will be made in each year for the remaining lives of—

(aa) the beneficiaries of the scheme on the effective date;

(bb) the expected survivors in relation to the members of the scheme on the effective date, and

(ii) that increase will include the projected change in inflation.";

(b) omit paragraph (5);

(c) in paragraph (10C), after "(4)(e)" insert "and (f)".

(**a**) Paragraph (4) of regulation 17 was amended by, and paragraph (10C) of that regulation was inserted by, S.I. 2024/344.

Amendment of regulation 18: advice of scheme actuary

69. In regulation 18 (advice of scheme actuary), after paragraph (b) insert—

"(c) the Financial Reporting Council Limited.".

Amendment of regulation 19: actuarial valuations

70. In regulation 19(4) (actuarial valuations)—

(a) in sub-paragraph (c) for "pensioner members and survivors" substitute "pension credit members and pensioner members, and of survivors";

(b) in sub-paragraph (d) after "deferred members," insert ", pension credit members".

Amendment of regulation 21: powers of the Regulator

71. In regulation 21 (powers of the Regulator), omit paragraph (2).

Amendment of regulation 25: triggering events: notification requirements

72. In regulation 25 (triggering events: notification requirements), in paragraph (1), for sub-paragraph (a) substitute—

"(a) that, unless not required to submit an implementation strategy by virtue of section 39(2)(a) or (3)(a), the trustees—

(i) have submitted an implementation strategy to the Regulator and the date on which they did so, or (as the case may be) will submit an implementation strategy to the Regulator before the end of the period specified in regulation 26; and

(ii) will make the implementation strategy available to each employer and any relevant former employer after it has been approved by the Regulator;".

Amendment of Schedule 1: fit and proper persons requirement

73.—(1) Schedule 1 (fit and proper persons requirement) is amended as follows.

(2) In paragraph 1, in sub-paragraph (3) omit the definition of "the Accountant in Bankruptcy".

(3) In paragraph 2—

(a) in sub-paragraph (a)(v)—

(i) for "(including" substitute "or";

(ii) at the end omit the closing bracket;

(b) in sub-paragraph (b)—

(i) in paragraph (ii) omit "to the Accountant in Bankruptcy for sequestration";

(ii) in paragraph (v)—

(aa) for "within the meaning given by", in both places it occurs, substitute "made under"—

(bb) for "(including" substitute "or";

(cc) at the end omit the closing bracket;

(c) in sub-paragraph (c)(v)—

(i) for "(including" substitute "or";

(ii) at the end omit the closing bracket.

Amendment of Schedule 2: scheme design requirement

74. In Schedule 2 (scheme design requirement)—

(a) in paragraph 1 omit sub-paragraph (b);

(b) in paragraph 9 omit sub-paragraph (a);

(c) in paragraph 14, for sub-paragraph (b) substitute—

"(b) when providing the viability certificate, the scheme actuary—

(i) has had regard to the matters specified in regulation 11(2), as applicable; and

(ii) is satisfied that the scheme has rules that meet the requirements of section 18 of the Act (calculation of benefits) and the requirements of regulation 17.".

Amendment of Schedule 3: financial sustainability requirement

75. In Schedule 3 (financial sustainability requirement), in paragraph 2(g) for "the scheme" substitute "any".

Amendment of Schedule 5: systems and processes requirement

76. In Schedule 5 (systems and processes requirement)—

(a) in paragraph 2(h), for ", the annual allowance and the lifetime allowance" substitute "and the annual allowance";

(b) in paragraph 12(a), for "policy" substitute "strategy".

Amendment of Schedule 6: continuity option 1 - transfer out and winding up

77. In Schedule 6 (continuity option 1: transfer out and winding up)—

(a) in paragraph 1(1)—

(i) in the definition of "final quantification", for "means the final quantification" substitute "means the quantification";

(ii) in the definition of "initial quantification", for "means the initial quantification" substitute "means the quantification";

(b) in paragraph 5(1), for "The quantification of the value of each beneficiary's accrued rights to benefits under the scheme" substitute "Quantification";

(c) in paragraph 7(7)(b), for "initial estimate" substitute "initial quantification";

(d) in paragraph 9(1), for "was a collective money purchase scheme" substitute "was a single or connected employer scheme";

(e) in paragraph 12(2)(c)—

(i) after "whether" insert "the scheme's liability to the beneficiary in respect of";

(ii) for "are discharged" substitute "is discharged";

(f) in paragraph 14—

(i) for sub-paragraph (2)(b)—

"(b) transferring the value of those rights to a scheme which is—

(i) registered under Chapter 2 of Part 4 of the Finance Act 2004 (registration of pension schemes), and

(ii) a personal pension scheme within the meaning given in section 1(1) of the Pension Schemes Act 1993 (categories of pension schemes)(**a**) or an occupational pension scheme;";

(ii) in sub-paragraph (4)(b), for "paragraph 15" substitute "paragraph 17(1)";

(g) in paragraph 18(5), for "a continuity strategy to the Regulator" substitute "a strategy to the Regulator under section 12 of the Pension Schemes Act 2017 (continuity strategy requirement)(**b**)".

PART 6

Consequential amendments

Amendment of the Pension Schemes Act 1993

78.—(1) The Pension Schemes Act 1993 is amended as follows.

(2) In section 100B (meaning of "scheme rules": occupational pension schemes)(**c**), in subsection (2)—

(a) in paragraph (a)—

(i) in sub-paragraph (xvi)(**d**), after "sections" insert "31,";

(ii) after sub-paragraph (xvi) insert—

"(xvii) regulations 40 and 56 of the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025 (S.I. 2025/xxx);";

(b) in paragraph (b)—

(i) in sub-paragraph (xii)(**e**) after "18(7)(b)," insert "31(4A),";

(ii) after sub-paragraph (xii) insert—

"(xiii) regulation 40(1)(b)) of the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025.".

(3) In section 101AI (right to cash transfer sum and contribution refund: further provisions)(**f**), in subsection (8)—

(a) in paragraph (a)—

(i) in sub-paragraph (xiv)(**g**), after "sections" insert "31,";

(ii) after sub-paragraph (xiv) insert—

"(xv) regulations 40 and 56 of the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer

(**a**) The definition of "personal pension scheme" in section 1(1) was substituted by section 239(3) of the Pensions Act 2004 and amended by Part 3(2) of Schedule 27 to the Finance Act 2007 (c. 11).
(**b**) 2017 c. 17.
(**c**) Section 100B was inserted by paragraphs 3 and 14 of Schedule 4 to the Pension Schemes Act 2015.
(**d**) Sub-paragraph (xvi) was inserted by section 25(1) and (6)(a) of the Pension Schemes Act 2021.
(**e**) Sub-paragraph (xii) was inserted by section 25(1) and (6)(b) of the Pension Schemes Act 2021.
(**f**) Section 101AI was inserted by section 264 of the Pensions Act 2004.
(**g**) Sub-paragraph (xiv) was inserted by paragraphs 1 and 3(a) of Schedule 3 to the Pension Schemes Act 2021.

Schemes and Miscellaneous Provisions) Regulations 2025 (S.I. 2025/xxx);";

(b) in paragraph (b)—

(i) in sub-paragraph (xi)(**a**), after "18(7)(b)," insert "31(4A),";

(ii) after sub-paragraph (xi) insert—

"(xii) regulation 40(1)(b) of the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025.".

Amendment of the Pensions Act 1995

79. In section 67A of the Pensions Act 1995 (the subsisting rights provisions: interpretation)(**b**), in subsection (9)—

(a) in paragraph (a)—

(i) in sub-paragraph (xv)(**c**), after "sections" insert "31,";

(ii) after sub-paragraph (xv) insert—

"(xvi) regulations 40 and 56 of the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025 (S.I. 2025/xxx);";

(b) in paragraph (b)—

(i) in sub-paragraph (xii)(**d**), after "18(7)(b)," insert "31(4A),";

(ii) after sub-paragraph (xii) insert—

"(xiii) regulation 40(1)(b) of the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025.".

Amendment of the Pensions Act 2004

80.—(1) The Pensions Act 2004 is amended as follows.

(2) In section 93(2)(pc) (the Regulator's procedure in relation to its regulatory functions)(**e**), after "section 29(1)" insert ", (1A)".

(3) In section 318 (general interpretation)—

(a) in subsection (3)(a)—

(i) in sub-paragraph (xv)(**f**), after "sections" insert "31,";

(ii) after sub-paragraph (xv) insert—

"(xvi) regulations 40 and 56 of the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025 (S.I. 2025/xxx);";

(**a**) Sub-paragraph (xi) was inserted by paragraphs 1 and 3(b) of Schedule 3 to the Pension Schemes Act 2021.
(**b**) Section 67A, together with other sections, was substituted for section 67 by section 262 of the Pensions Act 2004.
(**c**) Sub-paragraph (xv) was inserted by section 24(1) and (8)(a) of the Pension Schemes Act 2021.
(**d**) Sub-paragraph (xii) was inserted by section 24(1) and (8)(b) of the Pension Schemes Act 2021.
(**e**) Section 93(2)(pc) was inserted by paragraphs 11 and 14(3) of Schedule 3 to the Pension Schemes Act 2021.
(**f**) Section 318(3)(a)(xv) was inserted by paragraphs 11 and 20(a) of Schedule 3 to the Pension Schemes Act 2021.

(b) in subsection (3)(b)—

(i) in sub-paragraph (xii)(**a**), after "18(7)(b)," insert "31(4A),";

(ii) after sub-paragraph (xii) insert—

"(xiii) regulation 40(1)(b) of the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025.".

Amendment of the Pension Schemes Act 2017

81.—(1) The Pension Schemes Act 2017 is amended as follows.

(2) In section 1 (master trust schemes: definition)—

(a) at the end of subsection (1)(c) omit "and";

(b) at the end of subsection (1)(d) insert ", and";

(c) after subsection (1)(d) insert—

"(e) is not a collective money purchase scheme.";

(d) after subsection (1) insert—

"(1A) Where a Master Trust scheme has a section which is a collective money purchase scheme by virtue of section 1(2)(b) of the Pension Schemes Act 2021, references in the following provisions of this Act to a Master Trust scheme do not include any such section, except as provided in section 39(4A) to (4C).".

(3) In section 39 (interpretation of Part 1)—

(a) in subsection (1)—

(i) in the definition of the "accounts" of a Master Trust scheme for "subsection (2)" substitute "subsections (2) and (4A)";

(ii) at the appropriate place insert—

""collective money purchase scheme" has the meaning given in section 1(2) of the Pension Schemes Act 2021;";

(b) after subsection (4) insert—

"(4A) In relation to a Master Trust scheme, a section of which is a collective money purchase scheme, references in this Part to the scheme's accounts are to be read as references to the accounts of the scheme as a whole.

(4B) The reference in section 10(3) to activities that relate directly to Master Trust schemes is, in its application to a Master Trust scheme a section of which is a collective money purchase scheme, to be read as a reference to activities that relate directly to the scheme as a whole.

(4C) This Part applies to a Master Trust scheme—

(a) a section of which is a collective money purchase scheme, and

(b) for which there is no power to wind up the scheme to the extent only that it is not a collective money purchase scheme,

as if references to winding up the scheme, or to the scheme being wound up, were to ceasing to operate the scheme, or the scheme ceasing to operate, to the extent that it is not a collective money purchase scheme.".

(**a**) Section 318(3)(b)(xii) was inserted by paragraphs 11 and 20(b) of Schedule 3 to the Pension Schemes Act 2021.

Collective money purchase schemes - amendments to secondary legislation

82. Schedule 7 contains consequential amendments to secondary legislation in relation to collective money purchase schemes.

Signed by authority of the Secretary of State for Work and Pensions

[Name]
Parliamentary Under Secretary of State
Department for Work and Pensions

SCHEDULES

SCHEDULE 1 Regulation 31(1) and (3)

Fit and proper persons requirement

1.—(1) In this Schedule—

"arrangement" means a voluntary arrangement entered into by an individual with their creditors;

"the Bankruptcy Act" means the Bankruptcy (Scotland) Act 2016(**a**);

"the Insolvency Act" means the Insolvency Act 1986(**b**);

"the Insolvency Order" means the Insolvency (Northern Ireland) Order 1989(**c**);

"the registrar of companies" has the meaning given by section 1060(3) of the Companies Act 2006.

(2) In paragraph 2(a)—

"adjudicator" has the meaning given by section 385(1) of the Insolvency Act(**d**);

"creditor" has the meaning given by section 383(1) of the Insolvency Act(**e**).

(3) In paragraph 2(b)—

"creditor" has the meaning given by section 383(1) of the Insolvency Act;

"debtor application" has the meaning given by section 228(1) of the Bankruptcy Act;

"sequestration" means sequestration under the Bankruptcy Act.

(4) In paragraph 2(c)—

"bankrupt", "bankruptcy order" and "bankruptcy petition" have the meanings given in Article 9(1) of the Insolvency Order;

"the court" is defined in rule 0.2 of the Insolvency Rules (Northern Ireland) 1991(**f**);

"creditor" has the meaning given in Article 9(1) of the Insolvency Order.

(5) In paragraph 2(d), "director" has the meaning given in section 251 of the Insolvency Act.

2. The matters that the Pensions Regulator must take into account are—

(a) whether, in England and Wales, the person has—

(i) made any arrangement with the person's creditors,

(ii) applied to an adjudicator under section 263H of the Insolvency Act(**g**) (bankruptcy applications to an adjudicator) for a bankruptcy order within the meaning given by section 381(2) of the Insolvency Act(**h**) ("bankrupt" and associated terminology),

(**a**) 2016 asp 21.
(**b**) 1986 c. 45.
(**c**) S.I. 1989/2405 (N.I.19).
(**d**) Section 385(1) was amended by paragraphs 1 and 55 of Schedule 19 to the Enterprise and Regulatory Reform Act 2013 (c. 24).
(**e**) Section 383(1) was amended by paragraphs 1 and 53 of Schedule 19 to the Enterprise and Regulatory Reform Act 2013.
(**f**) S.R. 1991 No. 364.
(**g**) Section 263H was inserted by section 71(2) of, and Schedule 18 to, the Enterprise and Regulatory Reform Act 2013.
(**h**) Section 381(2) was amended by paragraphs 1 and 52 of Schedule 19 to the Enterprise and Regulatory Reform Act 2013.

(iii) been served with a bankruptcy petition within the meaning given by section 381(3) of the Insolvency Act,

(iv) been made bankrupt within the meaning given by section 381(1) of the Insolvency Act(**a**),

(v) been the subject of a bankruptcy restrictions order made under paragraph 1 (bankruptcy restrictions order) of Schedule 4A to the Insolvency Act(**b**) or an interim bankruptcy restrictions order made under paragraph 5 (interim bankruptcy restrictions order) of that Schedule, or

(vi) offered a bankruptcy restrictions undertaking made under paragraph 7 (bankruptcy restrictions undertaking) of Schedule 4A to the Insolvency Act;

(b) whether, in Scotland, the person has—

(i) made any arrangement with the person's creditors,

(ii) made a debtor application,

(iii) been served with a petition for sequestration,

(iv) been the subject of an award of sequestration in accordance with section 22 of the Bankruptcy Act (when sequestration is awarded)(**c**), or

(v) been the subject of a bankruptcy restrictions order made under section 155(1) (bankruptcy restrictions order) of the Bankruptcy Act or an interim bankruptcy restrictions order made under section 160 (interim bankruptcy restrictions orders) of that Act;

(c) whether, in Northern Ireland, the person has—

(i) made any arrangement with the person's creditors,

(ii) petitioned the court for a bankruptcy order,

(iii) been served with a bankruptcy petition,

(iv) been adjudged bankrupt,

(v) been the subject of a bankruptcy restrictions order made under paragraph 1 (bankruptcy restrictions order) of Schedule 2A to the Insolvency Order(**d**) or an interim bankruptcy restrictions order made under paragraph 5 (interim bankruptcy restrictions order) of that Schedule, or

(vi) offered a bankruptcy restrictions undertaking made under paragraph 7 (bankruptcy restrictions undertaking) of Schedule 2A to the Insolvency Order;

(d) whether the person has been a director or partner of, or otherwise concerned in the management of, a business that has gone into insolvency, liquidation or administration while the person was concerned with that business or within one year of their being so concerned;

(e) whether—

(i) in Great Britain, the person has been convicted of any criminal offence, excluding convictions that are spent within the meaning of the Rehabilitation of Offenders Act 1974(**e**), or

---

(**a**) Section 381(1) was amended by paragraphs 1 and 52 of Schedule 19 to the Enterprise and Regulatory Reform Act 2013.
(**b**) Schedule 4A was inserted by section 257(2) of, and Schedule 20 to, the Enterprise Act 2002 (c. 40).
(**c**) Section 22 was amended by section 6(2) of the Bankruptcy and Diligence (Scotland) Act 2024 (asp 9).
(**d**) Schedule 2A was inserted by S.I. 2005/1455 (N.I. 10).
(**e**) 1974 c. 53.

(ii) in Northern Ireland, the person has been convicted of any criminal offence, excluding convictions that are spent within the meaning of the Rehabilitation of Offenders (Northern Ireland) Order 1978(**a**);

(f) whether there has been a judgment against the person or the person has reached a settlement in civil proceedings, particularly in connection with investment or other financial business, misconduct, fraud or the formation or management of a body corporate;

(g) whether—

(i) in Great Britain, the person has been subject to a disqualification order under section 1(1) (disqualification orders: general) or a disqualification undertaking under section 1A(1) (disqualification undertakings: general) of the Company Directors Disqualification Act 1986(**b**), or

(ii) in Northern Ireland, the person has been subject to a disqualification order under Article 3(1) (disqualification orders: general) or a disqualification undertaking under Article 4(1) (disqualification undertakings: general) of the Company Directors Disqualification (Northern Ireland) Order 2002(**c**);

(h) whether the person has contravened any of the requirements or standards of—

(i) a regulator, including the Pensions Regulator, or

(ii) the registrar of companies;

(i) any information received from—

(i) a regulator, or

(ii) the registrar of companies;

(j) the person's conduct in relation to, or arising out of or in connection with, any work the person has carried out in one or more of the capacities mentioned in section 11(2) of the Act, or carried out in respect of, or on behalf of, a person mentioned in paragraphs (a) to (d) of section 11(2) of the Act—

(i) in the period of five years ending with the date of the application for authorisation of the scheme, and

(ii) at any time since the date of the application for authorisation of the scheme;

(k) whether—

(i) in Great Britain, the person has been prohibited from being a trustee of any trust, including any trust scheme within the meaning of section 124(1) of the Pensions Act 1995 (interpretation of Part 1), under—

(aa) section 3 of that Act (prohibition orders)(**d**), or

(bb) any other legislation, or

(ii) in Northern Ireland, the person has been prohibited from being a trustee of any trust, including any trust scheme within the meaning of Article 121(1) of the Pensions (Northern Ireland) Order 1995 (interpretation of Part 2)(**e**), under—

(**a**) S.I. 1978/1908 (N.I. 27).

(**b**) 1986 c. 46; section 1(1) was amended by section 5(1) of the Insolvency Act 2000 (c. 39), section 204(1) and (3) of the Enterprise Act 2002 and paragraph 2(2) of Schedule 13 to the Finance Act 2024 (c. 3). Section 1A(1) was inserted by section 6(1) and (2) of the Insolvency Act 2000 and was amended by paragraphs 1 and 3 of Schedule 7 to the Small Business, Enterprise and Employment Act 2015 (c. 26) and paragraph 2(3) of Schedule 13 to the Finance Act 2024.

(**c**) S.I. 2002/3150 (N.I. 4). Article 3(1) was amended by S.I. 2005/1454 (N.I. 9). Article 4(1) was amended by paragraph 9(4)(a) of Schedule 8 to the Small Business, Enterprise and Employment Act 2015.

(**d**) Section 3 was substituted by section 33 of the Pensions Act 2004 and amended by S.I. 2010/22.

(**e**) S.I. 1995/3213 (N.I. 22).

(aa) Article 3 of that Order (prohibition orders)(**a**), or

(bb) any other legislation;

(l) whether—

(i) in Great Britain, the person has been disqualified from being a trustee of any trust, including any trust scheme within the meaning of section 124(1) of the Pensions Act 1995, under—

(aa) section 29 of that Act (persons disqualified for being trustees)(**b**), or

(bb) any other legislation, or

(ii) in Northern Ireland, the person has been disqualified from being a trustee of any trust, including any trust scheme within the meaning of Article 121(1) of the Pensions (Northern Ireland) Order 1995, under—

(aa) Article 29 of that Order (persons disqualified for being trustees)(**c**), or

(bb) any other legislation.

3. In assessing whether a person is a fit and proper person to act in a particular capacity, the Pensions Regulator must take into account—

(a) the knowledge and skills gained from a person's significant experience as a trustee, in assessing whether the person is fit and proper to act in that capacity;

(b) whether a person has successfully completed such relevant training as may be set out in a Code, in assessing whether the person is fit and proper to act in the capacity of a trustee of the scheme;

(c) the collective expertise and experience of persons acting together in the capacity of trustees, in assessing whether they are fit and proper to act in that capacity;

(d) a person's relevant experience and professional competence, in assessing whether the person is fit to act in a capacity specified in section 11(2)(ba), (bb), (bc) or (bd) of the Act(**d**);

(e) the collective expertise and experience of individuals acting together to perform the functions of a scheme proprietor, in assessing whether they are fit and proper to act in that capacity;

(f) the collective expertise and experience of individuals acting together to perform the functions of a person who promotes or markets the scheme, in assessing whether they are fit and proper to act in that capacity;

(g) the collective expertise and experience of individuals acting together to perform the functions of a chief financial officer, in assessing whether they are fit and proper to act in that capacity;

(h) the collective expertise and experience of individuals acting together to perform the functions of a chief investment officer, in assessing whether they are fit and proper to act in that capacity.

(**a**) Article 3 was substituted by S.I. 2005/255 (N.I. 1) and was amended by paragraphs 2 and 3 of Schedule 1 to and Schedule 3 to the Pensions Regulator Tribunal (Transfer of Functions) Act (Northern Ireland) 2010 (c. 4 (N.I.)).

(**b**) Section 29 was amended by paragraphs 34 and 45 of Schedule 12 to and Schedule 13 to the Pensions Act 2004 and S.I. 2006/1722, 2009/1941, 2012/2404 and 2016/481.

(**c**) Article 29 was amended by S.I. 2002/3150 (N.I. 4), S.I. 2005/255 (N.I. 1) and S.R. 2008 No. 94 and 2016 No. 108.

(**d**) Paragraphs (ba) to (bd) of section 11(2) are inserted by regulation 7 of this instrument.

SCHEDULE 2 Regulations 32, 33(1), 34(1)

Scheme design requirement

PART 1

Matters that the Pensions Regulator must take into account

1. The Pensions Regulator must take into account the following matters in deciding whether it is satisfied that the design of an unconnected multiple employer scheme is sound—

(a) the information or documents mentioned in regulation 33(3) that are provided to the Pensions Regulator in accordance with section 13(6) of the Act (viability report);

(b) whether the Pensions Regulator is satisfied that the rules of the scheme meet—

(i) the requirements of section 18 of the Act (calculation of benefits), and

(ii) the requirements of regulation 40;

(c) whether the Pensions Regulator is satisfied that the conclusions reached by—

(i) the trustees as provided for in paragraph 8(1)(b) and (c);

(ii) the scheme actuary on the matters in regulation 34(2),

as set out in the viability report and viability certificate, are justified;

(d) whether the Pensions Regulator considers that—

(i) the contents of the viability report,

(ii) the contents of the viability certificate, and

(iii) the information provided to the Pensions Regulator concerning the testing or modelling used for the purposes of determining whether the design of the scheme is sound,

are sufficiently comprehensive in order to enable the Pensions Regulator to decide whether it is satisfied that the design of the scheme is sound.

PART 2

Information that must be included in a viability report

Preliminary

General

2. The date which has been chosen in respect of the viability report in accordance with regulation regulation 33(6).

3. The name and contact details of the person to be contacted in respect of the viability report.

4. A statement, signed by the trustees, confirming that—

(a) in their opinion, the design of the scheme is sound;

(b) the viability report has been approved by the trustees.

5. Where the viability report is required to be provided to the Pensions Regulator in accordance with section 13(6)(a) of the Act (on applying for authorisation), a statement, signed by the scheme proprietor, confirming that the viability report has been approved by the scheme proprietor.

6. A statement, signed by the scheme actuary, confirming that, to the extent that the viability report refers to actuarial matters, the scheme actuary is satisfied that those references accurately reflect those matters in respect of the scheme.

7. The name of the scheme in respect of which the viability report has been prepared.

Information about the design of the scheme

8.—(1) An explanation of—

(a) the design of the scheme;

(b) the reasons why the trustees consider the design of the scheme to be sound and the evidence on which this consideration is based;

(c) what changes to the investment strategy the trustees consider would be changes that result in qualifying benefits in respect of which—

(i) the rates or amounts by reference to which the qualifying benefits are provided each year under the scheme are materially different, or

(ii) the expected adjustments to those rates or amounts are materially different.

(2) The evidence referred to in sub-paragraph (1)(b) must include—

(a) the document prepared by the scheme actuary for the purposes of regulation 33(3)(b);

(b) the scheme's investment strategy.

9. The explanation required by paragraph 8(1) must include an explanation as to why the trustees are satisfied that the rules of the scheme meet—

(a) the requirements of section 18 of the Act (calculation of benefits);

(b) the requirements of regulation 40.

PART 3

Information that must be included in a viability certificate

10. The date which has been agreed in respect of the viability certificate in accordance with regulation 34(9).

11. The name and contact details of the scheme actuary.

12. The name of the scheme in respect of which the viability certificate is being obtained.

13. A statement, signed by the scheme actuary, confirming that—

(a) in the scheme actuary's opinion, the design of the scheme is sound;

(b) when providing the viability certificate, the scheme actuary—

(i) has had regard to the matters specified in regulation 34(2), as applicable, and

(ii) is satisfied that the scheme has rules that meet the requirements of section 18 of the Act (calculation of benefits) and the requirements of regulation 40.

SCHEDULE 3

Regulations 29(3) and 35

Financial sustainability requirement

PART 1

Information required on application for authorisation

1. The other information to be included in an application, in relation to whether the scheme is financially sustainable, is—

(a) in relation to whether the scheme has sufficient financial resources to meet the costs mentioned in section 14(2)(a) of the Act (financial sustainability requirement)—

(i) an estimate of the cost of setting up the scheme;

(ii) an estimate of the cost of running the scheme, in accordance with any requirements set out in a Code;

(iii) details of the scheme's sources of income including estimates of the amount of income from each source, in accordance with any requirements set out in a Code;

(iv) the scheme proprietor's strategy for meeting any shortfall between the scheme's income and the costs mentioned in section 14(2)(a) of the Act;

(v) an explanation of how any estimates provided have been calculated and of the assumptions used in reaching those estimates;

(vi) an explanation of the circumstances in which, and the extent to which, the scheme's actual costs and income may vary from the estimates provided and any measures in place to address such variations;

(vii) details of any financing arrangements entered into by the scheme proprietor in respect of the costs mentioned in section 14(2)(a) of the Act;

(viii) details of the security and enforceability of any loans or other funding commitments provided to the trustees in respect of the scheme, including the reasons why the trustees consider these commitments to be secure and enforceable;

(ix) where the scheme has any arrangements with service providers that meet the description in paragraph 2(h), details of the matters set out in that paragraph in respect of each arrangement;

(x) details of any insurance held in respect of the scheme, in respect of the costs mentioned in section 14(2)(a) of the Act, including details of the matters set out in paragraph 2(i);

(b) in relation to whether the scheme has sufficient financial resources to meet the costs mentioned in section 14(2)(b) of the Act—

(i) an estimate of the costs mentioned in section 14(2)(b)(i) of the Act;

(ii) an estimate of the costs mentioned in section 14(2)(b)(ii) of the Act;

(iii) the scheme proprietor's strategy for meeting the costs mentioned in section 14(2)(b) of the Act;

(iv) the amount and classes of assets held by the scheme proprietor, or that will be available to the trustees, to meet those costs;

(v) an explanation of how any estimates provided have been calculated and of the assumptions used in reaching those estimates;

(vi) details of the security and enforceability of any loans or other funding commitments provided to the trustees in respect of the scheme, including the reasons why the trustees consider these commitments to be secure and enforceable;

(vii) details of any insurance held in respect of the scheme, in respect of the costs mentioned in section 14(2)(b) of the Act, including details of the matters set out in paragraph 3(g);

(viii) details of any compensation for which members are eligible in the event of a scheme failure, including details of the matters set out in paragraph 3(i).

PART 2

Matters which the Pensions Regulator must take into account

2. The Pensions Regulator must take account of the following matters in deciding whether it is satisfied that an unconnected multiple employer purchase scheme has sufficient financial resources to meet the costs mentioned in section 14(2)(a) of the Act (financial sustainability requirement)—

(a) the scheme's sources of income, including the estimated amount of income from each source;

(b) the estimated cost of setting up the scheme;

(c) the estimated cost of running the scheme;

(d) the scheme proprietor's strategy for meeting any shortfall between the scheme's income and the costs mentioned in section 14(2)(a) of the Act;

(e) the robustness of any estimates provided to the Pensions Regulator in relation to the costs mentioned in section 14(2)(a) of the Act, and the robustness of the strategy mentioned in sub-paragraph (d);

(f) any financing arrangements entered into by the scheme proprietor in respect of the costs mentioned in section 14(2)(a) of the Act;

(g) the security and enforceability of loans and other funding commitments provided to the trustees in respect of the scheme;

(h) where the scheme has an arrangement with a service provider under which the service provider accepts the risk that its costs will exceed any fee paid to it, the provisions made to secure this service and any limitation on the service provider's liability for those costs;

(i) any insurance held in respect of the costs mentioned in section 14(2)(a) of the Act, including details of—

(i) the insurance provider;

(ii) the policy holder;

(iii) the beneficiary of the policy;

(iv) any limitations on the insurer's liability.

3. The Pensions Regulator must take account of the following matters in deciding whether it is satisfied that an unconnected multiple employer scheme has sufficient financial resources to meet the costs mentioned in section 14(2)(b) of the Act—

(a) the most recent estimates of the costs mentioned in section 14(2)(b) of the Act provided in respect of the scheme;

(b) the extent and manner in which the scheme proprietor has made provision to meet those costs;

(c) the amount and classes of assets held by the scheme proprietor, or available to the trustees, to meet those costs;

(d) the robustness of any estimates provided to the Pensions Regulator in relation to the costs mentioned in section 14(2)(b) of the Act, and the robustness of the strategy for meeting those costs;

(e) the security and enforceability of loans and other funding commitments provided to the trustees in respect of the scheme;

(f) the alignment between the actions set out in the scheme's continuity strategy and the estimate in the strategy of the costs of carrying out those actions;

(g) any insurance held in respect of the costs mentioned in section 14(2)(b) of the Act, including details of—

(i) the insurance provider;

(ii) the policy holder;

(iii) the beneficiary of the policy;

(iv) any limitations on the insurer's liability;

(h) the quality of the scheme's records and data;

(i) whether the members are eligible for compensation in the event of a scheme failure and, if so, details of—

(i) the compensation provider;

(ii) the basis on which the compensation is payable;

(iii) any limits on the amount of compensation payable;

(j) the scheme's most recent continuity strategy.

PART 3

Requirements to be met by the unconnected multiple employer scheme

4. An unconnected multiple employer scheme must meet the following requirements relating to its financing—

(a) any assets held by the scheme proprietor, or available to the trustees, to meet the costs mentioned in section 14(2) of the Act (financial sustainability requirement) must be—

(i) of the classes and in the proportions set out in a Code;

(ii) valued in accordance with any discounted rates set out in a Code;

(iii) available to be used when the relevant costs fall due;

(b) the scheme's trustees must have first call on the assets referred to in sub-paragraph (a);

(c) any funding commitment made to the scheme in respect of the costs mentioned in section 14(2) of the Act must be given in writing and duly executed by the party making the commitment.

SCHEDULE 4

Regulations 29(7) and 36

Communication requirement

PART 1

Interpretation

1. In this Schedule—

"relevant functions" are—

(a) the development, production, provision or review of scheme communications,

(b) record-keeping in respect of scheme communications,

(c) quality assurance activities in respect of scheme communications, and

(d) any other functions, in respect of scheme communications, set out in a Code;

"scheme communication" means a notification, notice, document, statement or other communication relating to the scheme which is provided, or made available, to a relevant person by, on behalf of or in respect of the scheme.

PART 2

Matters that the Pensions Regulator must take into account

Functionality, quality and maintenance of IT systems

2. Whether the IT systems used for the purposes of carrying out relevant functions—

(a) have the necessary capacity and capability to enable relevant functions to be carried out by, on behalf of or in respect of the scheme in accordance with—

(i) any legal requirement in relation to scheme communications, and

(ii) the scheme's systems and processes concerning scheme communications;

(b) are monitored to ensure that they continue to have the necessary capacity and capability;

(c) are capable of being upgraded or updated to reflect changes in legal requirements relating to scheme communications;

(d) have a back-up system which allows data concerning scheme communications to be recovered if the main system fails;

(e) have restricted physical and electronic access, with firewalls and other appropriate protection against viruses and other threats;

(f) are maintained at regular intervals, either automatically or by a person with the appropriate skills and experience;

(g) are backed up and updated regularly, including the maintenance of firewalls and other preventative systems.

Resource planning

3. Whether there are systems and processes for ensuring that there are sufficient individuals, with the relevant skills, qualifications and capacity necessary to enable relevant functions to be carried out by, on behalf of or in respect of the scheme in accordance with—

(a) any legal requirement in relation to scheme communications, and

(b) the scheme's systems and processes concerning scheme communications.

Quality assurance

4. Whether there are systems and processes—

(a) for assessing and improving the effectiveness of scheme communications and for updating scheme communications to take into account these assessments;

(b) for ensuring that the information contained in scheme communications is accurate and is not misleading;

(c) for ensuring that any legal requirement in relation to scheme communications is complied with;

(d) for ensuring that scheme communications are provided or made available in a timely manner;

(e) for scheme communications to be reviewed by such persons as the trustees consider appropriate before being provided or made available and for scheme communications to be kept under review as appropriate.

Member engagement

5. Whether there are systems and processes—

(a) for gathering feedback from members concerning scheme communications;

(b) for evaluating feedback from members concerning scheme communications and sharing this feedback with trustees;

(c) for taking into account feedback from members concerning scheme communications in the design of scheme communications;

(d) for reporting to the trustees, and members, as to how feedback from members has been taken into account in the design of scheme communications.

SCHEDULE 5

Regulations 29(8)(a) and 37

Systems and processes requirement - matters that the Pensions Regulator must take into account

Features and functionality of IT systems

1. Whether the IT systems have the capacity and capability—

(a) to process financial transactions securely, accurately and by automated means, including the core transactions described in regulation 24(2) of the Occupational Pension Schemes (Scheme Administration) Regulations 1996(**a**) (requirements for processing financial transactions);

(**a**) S.I. 1996/1715. Regulation 24 was inserted by S.I. 2015/879.

(b) to make and receive electronic payments;

(c) to accept contributions from multiple sources;

(d) to exchange data with other IT systems, including those used by employers and service providers;

(e) to process information securely, accurately and by automated means for the purposes of calculating the rate or amount of benefits to be provided under the scheme, in accordance with the scheme rules;

(f) to reconcile data on transactions and produce reports so that those activities can be monitored and transaction errors rectified promptly;

(g) to identify and categorise transactions and payments for authorisation and countersigning at an appropriate level of authority;

(h) to be updated to reflect changes in the legal requirements affecting transactions, payments and records, including changes in tax thresholds and the annual allowance;

(i) to reconcile contributions paid by or on behalf of an employer with the records of the member to whom they relate.

Standards required of IT systems

2. Whether the IT systems—

(a) are capable of being upgraded to reflect changes in required transactions and capacity;

(b) have restricted physical and electronic access, with firewalls and other appropriate protection against viruses and other threats;

(c) have a back-up system which allows data to be recovered if the main system fails;

(d) are of sufficient standard to allow the scheme to meet the objectives set out in the scheme's business plan(**a**).

Maintenance of IT systems

3. Whether the IT systems—

(a) are maintained at regular intervals, either automatically or by a person with the appropriate skills and experience;

(b) are backed up and updated regularly, including the maintenance of firewalls and other preventative systems;

(c) are monitored to ensure that their capacity is sufficient for the size of the scheme.

Member records

4. Whether the scheme's systems and processes ensure that—

(a) there is an accurate record on the relevant IT system of each member's details, including the member's pensionable service, within the meaning given in section 124(1) of the Pensions Act 1995, and pensionable salary and, on an annual basis, the amount that represents the member's share of the available assets of the scheme;

(b) any unpaid contributions by or in respect of active members can be explained to the Pensions Regulator and remedied;

(**a**) Regulation 10 of this instrument inserts section 14A into the Pension Schemes Act 2021 (business plan requirement).

(c) members' records are reviewed regularly for completeness and accuracy and updated promptly with changes of information;

(d) errors in member's records can be identified and addressed, and any financial impact of such errors on members can be rectified;

(e) for each financial year, records are maintained—

(i) in respect of each person receiving payment of a pension or other benefits under the scheme, including the amount of benefits received during the year;

(ii) in respect of each person receiving payment of a periodic income in accordance with paragraph 7 of Schedule 6, including the amount of income received during the year;

(f) for each financial year, there is an accurate record of the amount that represents the value of accrued rights to benefits under the scheme that has been transferred out of the scheme during the financial year.

Trustees and others

5. Whether there are systems and processes—

(a) for the fair and transparent recruitment, appointment, resignation and removal of trustees;

(b) for the fair and transparent recruitment, appointment, resignation and removal of the scheme actuary;

(c) for determining and recording that persons involved in the scheme in the capacities mentioned in section 11(2) of the Act (fit and proper persons requirement) are, and remain, fit and proper;

(d) for monitoring and recording trustees' learning and development, and for ensuring that it is appropriate for the scheme's activities;

(e) in relation to meetings of trustees, including—

(i) the intervals at which meetings of trustees are to take place;

(ii) the number of trustees required to authorise decisions on risk management, resource planning and investments;

(iii) the process for managing the scheme's business between meetings of the trustees;

(f) for recording, maintaining and managing all documents relating to the trustees in an accessible medium;

(g) for managing the scheme's business if one or more trustees are absent.

Contracts and service providers

6. Whether there are systems and processes—

(a) for establishing that service providers have the necessary qualifications, experience or approval, as applicable;

(b) for establishing that service providers have the capability to provide their services in respect of the scheme—

(i) in accordance with any scheme rules that relate to those services;

(ii) in accordance with any statutory requirement in relation to those services to which the trustees are subject in respect of the scheme, to the extent that the services are provided on behalf of the trustees;

(c) for ensuring that trustees are appropriately engaged in overseeing service providers and in decisions concerning them, including their appointment;

(d) for informing the scheme proprietor about the appointment, removal, roles and responsibilities of service providers;

(e) for informing the trustees of—

(i) any failure by service providers to deliver services;

(ii) any actions or omissions by service providers which may prejudice the effective running of the scheme;

(iii) any actions or omissions by service providers which may prejudice the ability to meet the objectives set out in the scheme's business plan;

(f) for recording, maintaining and managing all documents relating to service providers in an accessible medium.

Governance

7. Whether there are systems and processes—

(a) for the identification of roles and responsibilities in respect of the governance of the scheme;

(b) for the appointment of persons with sufficient skills, knowledge and experience to carry out those roles and responsibilities;

(c) for setting clear objectives concerning the governance of the scheme and for monitoring whether those objectives are being met within the relevant timescales;

(d) for documenting and reporting to the scheme proprietor and the trustees of the scheme matters relating to the governance of the scheme;

(e) for identifying and addressing any failures in the governance of the scheme.

Risk management

8. Whether there are systems and processes—

(a) for identifying, managing and monitoring operational, financial, regulatory and compliance risks;

(b) for identifying, managing and monitoring risks in respect of the soundness of the design of the scheme;

(c) for recording and documenting risks in an appropriate and durable format;

(d) for ensuring that risks are managed in a timely manner by persons with the appropriate skills, knowledge and resources;

(e) for informing the trustees about risks that have arisen and the steps being taken to manage them.

Security

9. Whether there are systems and processes—

(a) for preventing unauthorised access to sensitive records and infrastructure, including those containing member information, financial details or investment information;

(b) for monitoring and recording electronic and physical access to sensitive records and infrastructure;

(c) for ensuring the secure transfer of physical and electronic data and the secure conduct of transactions.

Resource planning

10. Whether there are systems and processes for ensuring that there are sufficient individuals with the skills, qualifications and capacity necessary to comply with the requirements of Part 1 of the Act (collective money purchase benefits) and, in particular—

(a) to run and maintain the scheme's systems and processes,

(b) to provide for the effective running of the scheme,

(c) to send appropriate and timely notifications, information and documents to the Pensions Regulator, including information about the scheme's systems and processes, and

(d) to meet the objectives set out in the scheme's business plan.

Investments

11. Whether there are systems and processes—

(a) for investing contributions in a timely manner in accordance with the scheme's investment strategy;

(b) for recording investment decisions;

(c) for managing the scheme's interaction with investment managers, and recording key decisions;

(d) for recording, managing and reviewing the risks associated with investment decisions;

(e) for informing trustees about questions, decisions and risks relating to investments.

Valuation and benefit adjustment

12. Whether there are systems and processes—

(a) for ensuring that the rules of the scheme meet the requirements of section 18 of the Act (calculation of benefits) and regulation 40;

(b) for ensuring that the trustees comply with section 19(1) of the Act (advice of scheme actuary);

(c) for establishing that the scheme actuary has complied with regulation 41;

(d) for ensuring that the trustees obtain actuarial valuations in accordance with section 20 of the Act (actuarial valuations) and regulation 42;

(e) for establishing that the scheme actuary has complied with section 21 of the Act (certificate that actuarial valuation prepared in accordance with scheme rules);

(f) for complying with the requirements of section 22 of the Act (benefits adjustments), where applicable;

(g) for responding to a direction given under section 23(2) of the Act (powers of the Pensions Regulator).

Member engagement

13. Whether there are systems and processes—

(a) for facilitating members' engagement with the scheme;

(b) for bringing members' views to the attention of the trustees;

(c) for directing members' complaints to the correct channels for resolution.

SCHEDULE 6

Regulation 52

Continuity Option 1: transfer out and winding up

Interpretation and notices

1.—(1) In this Schedule—

"arrangement" has the meaning given in section 152 of the Finance Act 2004(**a**);

"default arrangement" has the meaning given in regulation 3 of the Occupational Pension Schemes (Charges and Governance) Regulations 2015(**b**);

"default discharge option" means the way the trustees propose to discharge the scheme's liability to a beneficiary in respect of the beneficiary's accrued rights to benefits under the scheme, unless the beneficiary specifies otherwise in accordance with paragraph 14;

"dependant" has the meaning given in paragraph 15 of Schedule 28 to the Finance Act 2004(**c**);

"dependants' income withdrawal" has the meaning given in paragraph 21 of Schedule 28 to the Finance Act 2004(**d**);

"dependant's flexi-access drawdown fund" has the meaning given in paragraph 22A of Schedule 28 to the Finance Act 2004(**e**);

"discharge time" in relation to a beneficiary under the scheme means the time that the scheme's liability to the beneficiary in respect of the value of the beneficiary's accrued rights to benefits under the scheme is discharged;

"final quantification" means the quantification carried out immediately prior to the discharge time, in accordance with paragraph 5(1)(f);

"income withdrawal" has the meaning given in paragraph 7 of Schedule 28 to the Finance Act 2004(**f**);

"initial quantification" means the quantification carried out in accordance with paragraph 5(1)(c);

"member's flexi-access drawdown fund" has the meaning given in paragraph 8A of Schedule 28 to the Finance Act 2004(**g**);

"nominee" has the meaning given in paragraph 27A of Schedule 28 to the Finance Act 2004(**h**);

(**a**) Section 152 was amended by paragraphs 1 and 2 of Schedule 5 to the Finance Act 2021 (c. 26) and section 24(1) and (2) of the Finance (No. 2) Act 2023 (c. 30).
(**b**) S.I. 2015/879. Regulation 3 was amended by S.I. 2015/889 and 2022/255.
(**c**) Paragraph 15 was amended by paragraphs 1 and 26 of Schedule 10 to the Finance Act 2005 (c. 7), paragraph 6(2) of Schedule 5 to the Finance Act 2016 (c. 24) and S.I. 2005/3229.
(**d**) Paragraph 21 was substituted by paragraphs 12 and 15 of Schedule 16 to the Finance Act 2011 (c. 11) and amended by paragraph 20 of Schedule 1 to the Taxation of Pensions Act 2014 (c. 30).
(**e**) Paragraph 22A was inserted by paragraph 4(1) of Schedule 1 to the Taxation of Pensions Act 2014.
(**f**) Paragraph 7 was substituted by paragraphs 2 and 5 of Schedule 16 to the Finance Act 2011 and amended by paragraphs 5 and 19 of Schedule 1 to the Taxation of Pensions Act 2014.
(**g**) Paragraph 8A was inserted by paragraph 3(1) of Schedule 1 to the Taxation of Pensions Act 2014.
(**h**) Paragraph 27A was inserted by paragraphs 1 and 3(1) of Schedule 2 to the Taxation of Pensions Act 2014.

"nominees' income withdrawal" has the meaning given in paragraph 27D of Schedule 28 to the Finance Act 2004(**a**);

"nominee's flexi-access drawdown fund" has the meaning given in paragraph 27E of Schedule 28 to the Finance Act 2004(**b**);

"pensioner beneficiary", in relation to the unconnected multiple employer scheme, means a person who is entitled to the present payment of pension or other benefits under the scheme;

"penultimate quantification" means the quantification carried out not less than one month before the proposed discharge time, in accordance with paragraph 5(1)(e);

"periodic income" means a payment made by a scheme under paragraph 7, which is not the payment of a benefit (including pension) under the scheme;

"quantification" means the quantification of the amount that represents the value of each beneficiary's accrued rights to benefits under the scheme;

"successor" has the meaning given in paragraph 27F of Schedule 28 to the Finance Act 2004(**c**);

"successors' income withdrawal" has the meaning given in paragraph 27J of Schedule 28 to the Finance Act 2004(**d**);

"successor's flexi-access drawdown fund" has the meaning given in paragraph 27K of Schedule 28 to the Finance Act 2004(**e**);

"winding-up commencement time" means the time, determined in accordance with these Regulations and the scheme rules, that winding-up is taken to begin for the purposes of continuity option 1;

"winding-up period" means the period beginning with the winding-up commencement time and ending when the winding up of the scheme is completed;

"winding-up quantification" means the quantification carried out after the Pensions Regulator notifies the trustees that the implementation strategy is approved, in accordance with paragraph 5(1)(d).

(2) Notices given under this Schedule must be sent—

(a) in writing, by post or email,

(b) to the addressee's last known address, and

(c) in accordance with any further requirements set out in a Code.

(3) For the purposes of sub-paragraph (2), a person's email address is—

(a) any email address provided for the time being by that person as an address for contacting that person, or

(b) if no such address has been provided, any email address by means of which the sender reasonably believes that the notice will come to the attention of that person or (where that person is a body corporate) any director or other officer of that body corporate.

(**a**) Paragraph 27D was inserted by paragraphs 1 and 3(1) of Schedule 2 to the Taxation of Pensions Act 2014.
(**b**) Paragraph 27E was inserted by paragraphs 1 and 3(1) of Schedule 2 to the Taxation of Pensions Act 2014 and amended by paragraphs 1 and 13 of Schedule 4 to the Finance Act 2015 (c. 11).
(**c**) Paragraph 27F was inserted by paragraphs 1 and 3(1) of Schedule 2 to the Taxation of Pensions Act 2014.
(**d**) Paragraph 27J was inserted by paragraphs 1 and 3(1) of Schedule 2 to the Taxation of Pensions Act 2014.
(**e**) Paragraph 27K was inserted by paragraphs 1 and 3(1) of Schedule 2 to the Taxation of Pensions Act 2014 and amended by paragraphs 1 and 13 of Schedule 4 to the Finance Act 2015.

(4) A notice under this Schedule sent to a person by email is taken to have been received by that person 48 hours after it is sent.

Alternative ways of discharging the scheme's liability

2.—(1) The ways of discharging an unconnected multiple employer scheme's liability to each beneficiary in respect of the beneficiary's accrued rights to benefits under the scheme referred to in section 36(1)(b) of the Act (continuity option 1: discharge of liabilities and winding up) include—

(a) transferring the value of those rights to an occupational pension scheme;

(b) transferring the value of those rights to a member's flexi-access drawdown fund in respect of an arrangement for the purposes of entitlement by the beneficiary to income withdrawal which is an authorised member payment for the purposes of Part 4 of the Finance Act 2004 (pension schemes etc);

(c) transferring the value of those rights to a dependant's flexi-access drawdown fund in respect of an arrangement for the purposes of entitlement by the dependant to dependants' income withdrawal which is an authorised member payment for the purposes of Part 4 of the Finance Act 2004 (pension schemes etc);

(d) transferring the value of those rights to a nominee's flexi-access drawdown fund in respect of an arrangement for the purposes of entitlement by the nominee to nominees' income withdrawal which is an authorised member payment for the purposes of Part 4 of the Finance Act 2004 (pension schemes etc);

(e) transferring the value of those rights to a successor's flexi-access drawdown fund in respect of an arrangement for the purposes of entitlement by the successor to successors' income withdrawal which is an authorised member payment for the purposes of Part 4 of the Finance Act 2004 (pension schemes etc).

(2) The way of discharging an unconnected multiple employer scheme's liability to each beneficiary in respect of the beneficiary's accrued rights to benefits under the scheme referred to as an "alternative payment mechanism" in section 36(2)(c) of the Act is securing the payment of benefits by the purchase of one or more policies from one or more insurers authorised by the Financial Conduct Authority for carrying on long-term insurance business in the United Kingdom.

Requirements of rules of scheme

3.—(1) The rules of an unconnected multiple employer scheme must make provision about how continuity option 1 is to be given effect in the event that the trustees are required or decide to pursue continuity option 1.

(2) The rules must include the following—

(a) the time when the winding up is to be taken to begin for the purposes of continuity option 1, taking account of the requirements of paragraph 4;

(b) how the value of the available assets of the scheme is to be determined;

(c) how the amount that represents the value of each beneficiary's accrued rights to benefits under the scheme is to be quantified for the purposes of the initial quantification, the winding-up quantification and any subsequent quantification (including the penultimate quantification) carried out prior to the final quantification;

(d) how the amount that represents the value of each beneficiary's accrued rights to benefits under the scheme is to be quantified for the purposes of the final quantification;

(e) how the amount or rate of periodic income payable during the winding-up period is to be calculated and adjusted from time to time.

(3) Rules for determining how the amount that represents the value of each beneficiary's accrued rights to benefits under the scheme is to be quantified must apply to all beneficiaries of the scheme without variation.

Winding-up commencement time

4.—(1) Where the trustees of an unconnected multiple employer scheme are required to pursue continuity option 1 because a triggering event which is an item 1 or 2 triggering event has occurred in relation to the scheme, the winding-up commencement time must be on the date the decision to withdraw authorisation becomes final for the purposes of Part 1 of the Act (collective money purchase benefits).

(2) Where the trustees of an unconnected multiple employer scheme are required to pursue continuity option 1 because a triggering event which is an item 3 triggering event has occurred in relation to the scheme, the winding-up commencement time must be on the date on which the Pensions Regulator gives a notification under section 7(3) of the Act (scheme not authorised).

(3) Subject to sub-paragraphs (1) and (2), the winding-up commencement time shall be determined in accordance with subsections (3A) to (3D) of section 124 of the Pensions Act 1995(**a**) (interpretation of Part 1).

Quantification of the value of beneficiaries' accrued rights to benefits

5.—(1) Quantification must be carried out—

(a) in accordance with these Regulations and with the scheme rules,

(b) on an actuarial basis,

(c) as an initial estimate before the end of the period of 28 days beginning with the date of the winding-up commencement time,

(d) as a subsequent estimate within the period of six months beginning with the date on which the Pensions Regulator notifies the trustees that the implementation strategy is approved,

(e) as a final estimate not less than one month before the proposed discharge time, and

(f) as a final figure immediately prior to the discharge time in relation to the beneficiary.

(2) The quantification must be carried out by reference to the realisable value of the available assets of the scheme.

(3) The amount that represents the value of a beneficiary's accrued rights to benefits under the scheme for the purposes of the final quantification must be reduced to take account of any periodic income received by that beneficiary in accordance with paragraph 7.

Winding-up period

6.—(1) Subject to sub-paragraph (5), no new members may be admitted to the scheme during the winding-up period.

(2) No further contributions by or on behalf or in respect of members of the scheme may be paid towards the scheme (other than those due to be paid before the beginning of the winding-up period) during the winding-up period.

(3) No benefits may accrue to or in respect of members of the scheme during the winding-up period.

(**a**) Subsections (3A) to (3D) were inserted by section 49(2) of the Child Support, Pensions and Social Security Act 2000 (c. 19) and amended by paragraphs 34 and 69 of Schedule 12 to the Pensions Act 2004.

(4) Subject to sub-paragraph (6), no pension or other benefits may be paid by the scheme to or in respect of beneficiaries during the winding-up period.

(5) Where a person is entitled to a pension credit derived from another person's shareable rights under the scheme, nothing in this Schedule prevents the trustees of the scheme discharging their liability in respect of the credit under Chapter 1 of Part 4 of the Welfare Reform and Pensions Act 1999 (sharing of rights under pension arrangements) by conferring appropriate rights under the scheme on that person.

(6) Nothing in this Schedule prevents the exercise of any right or power conferred by Chapter 2 of Part 4ZA of the Pension Schemes Act 1993(**a**) (early leavers: cash transfer sums and contribution refunds) or the discharge of any duty imposed by that Chapter.

(7) The requirements mentioned in sub-paragraph (8) cease to apply during the winding-up period and the trustees are discharged from any liability to carry out these requirements in respect of the winding-up period.

(8) The requirements are—

(a) obtaining actuarial valuations in accordance with section 20 of the Act (actuarial valuations),

(b) determining the rate or amount of benefits under the scheme, under scheme rules in accordance with section 18 of the Act (calculation of benefits), and

(c) providing qualifying benefits including the payment of a pension or other benefits under the scheme, as provided for in section 3 of the Act (qualifying schemes).

(9) In sub-paragraph (5)—

"appropriate rights" has the same meaning as in paragraph 5 of Schedule 5 to the Welfare Reform and Pensions Act 1999 (pension credits: mode of discharge);

"shareable rights" has the meaning given in section 27(2) of that Act (scope of mechanism).

Periodic income

7.—(1) Where a person was a pensioner beneficiary of the scheme immediately prior to the beginning of the winding-up period, or would have become a pensioner beneficiary of the scheme during the winding-up period but for the provisions of this Schedule, the trustees must pay that person a periodic income under and in accordance with this paragraph.

(2) A payment of periodic income by a scheme under this paragraph is not a payment of benefits (including pension) under the scheme.

(3) The periodic income is payable to a person who was a pensioner beneficiary of the scheme immediately prior to the beginning of the winding–up period during the period beginning with the date of the winding-up commencement time and continuing until the earlier of the date of the discharge time in relation to that person or the date that person would otherwise have ceased to be a pensioner beneficiary.

(4) The periodic income is payable to a person who would have become a pensioner beneficiary of the scheme during the winding-up period but for the provisions of this Schedule during the period beginning with the date that person would have become a pensioner beneficiary and continuing until the earlier of the date of the discharge time in relation to that person or the date that person would otherwise have ceased to be a pensioner beneficiary.

(**a**) Chapter 2 of Part 4ZA was inserted by section 264 of the Pensions Act 2004 and its heading was substituted by paragraphs 3 and 4 of Schedule 4 to the Pension Schemes Act 2015 (c. 8).

(5) In the case of a person who was a pensioner beneficiary immediately prior to the beginning of the winding-up period, payments of periodic income before the initial quantification has been carried out must be made—

(a) on the same date that a payment of pension would have been due to be made to that person had the winding up of the scheme not commenced, and

(b) at the same rate or amount as the last payment of pension made to that person before the beginning of the winding-up period.

(6) In the case of a person who would have become a pensioner beneficiary of the scheme during the winding-up period but for the provisions of this Schedule, payments of periodic income before the initial quantification has been carried out must—

(a) be made on the same date that a payment of pension would have been due to be made to that person had the winding up of the scheme not commenced, and

(b) be calculated by reference to the last actuarial valuation carried out before the beginning of the winding-up period.

(7) After the initial quantification has been carried out, the amount or rate of the periodic income payable to a person must—

(a) be calculated by reference to the amount that represents the value of the person's accrued rights to benefits under the scheme;

(b) until the winding-up quantification has been carried out, be calculated and paid on the basis of the initial quantification;

(c) after the winding-up quantification has been carried out, be calculated and paid on the basis of the latest of the winding-up quantification or any subsequent quantification;

(d) be adjusted from time to time to take account of any subsequent quantification carried out up to and including the penultimate quantification.

Information about periodic income

8.—(1) The information mentioned in sub-paragraph (2) must be given in accordance with the provisions of this paragraph to each person who was a pensioner beneficiary of the scheme immediately prior to the beginning of the winding-up period and to each person who would have become a pensioner beneficiary of the scheme during the winding-up period but for the provisions of this Schedule.

(2) The information is—

(a) that during the winding-up period pensions and other benefits cease to be payable under the scheme and instead the scheme must make payments of periodic income to persons who were and to persons who would have become pensioner beneficiaries;

(b) when payment of the periodic income to the person will commence or, if a payment of periodic income has already been made, when the payments commenced;

(c) an explanation that payment of the periodic income from the scheme will cease at the earlier of the date of the discharge time in relation to the person or the date the person would otherwise have ceased to be a pensioner beneficiary;

(d) details of when and how the periodic income is to be or is being paid;

(e) the amount that the person's periodic income will be following the initial quantification, where this is known;

(f) an explanation of how the amount of the periodic income is calculated;

(g) that the amount may be adjusted during the winding-up period, and that the amount may reduce following an adjustment;

(h) how and when notice of any adjustment will be given to the person;

(i) that the value of the person's accrued rights to benefits under the scheme at the discharge time will be reduced to take account of the periodic income payments made to the person during the winding-up period.

(3) In the case of a person who was a pensioner beneficiary under the scheme immediately prior to the beginning of the winding-up period, the information must be given as soon as practical and in any event no more than one month after the date of the winding-up commencement time.

(4) In the case of a person who would have become a pensioner beneficiary under the scheme during the winding-up period but for the provisions of this Schedule, the information must be given as soon as practical and in any event no more than one month after the date the person would have become a pensioner beneficiary.

Scheme to continue to be a collective money purchase scheme during winding-up

9.—(1) A "collective money purchase scheme" for the purposes of Part 1 of the Act (collective money purchase benefits) includes a scheme or section of a scheme during the winding-up period where the scheme or section was an unconnected multiple employer scheme immediately before the winding-up commencement time.

(2) Sub-paragraph (1) applies irrespective of the fact that in accordance with the requirements of this Schedule the scheme or section has, during the winding-up period—

(a) ceased to make payments of benefits including payments of pension under the scheme, and

(b) commenced payments of periodic income under paragraph 7(1).

Trustees' notice to employers

10.—(1) The trustees of an unconnected multiple employer scheme that is pursuing continuity option 1 must send a notice to each employer in relation to the scheme containing the information mentioned in sub-paragraph (2), in accordance with sub-paragraph (3).

(2) The information is—

(a) details of the default discharge options identified in respect of beneficiaries and details of which option will apply to different descriptions of beneficiary including the name of any scheme which has been identified as a default discharge option for beneficiaries of the scheme;

(b) that if a beneficiary does not specify an alternative in accordance with the requirements of this Schedule, the scheme's liability to the beneficiary will be discharged in accordance with the relevant default discharge option;

(c) the beneficiary's rights under Chapter 2 of Part 4ZA of the Pension Schemes Act 1993 (early leavers: cash transfer sums and contribution refunds);

(d) the timetable for future communication with beneficiaries and employers;

(e) that the notice is for information only.

(3) A notice under this paragraph must be sent before the end of the period of 14 days beginning with—

(a) the date on which the trustees identify the default discharge options, or

(b) if later, the date on which the Pensions Regulator notifies the trustees that the implementation strategy is approved.

Notice to receiving scheme

11.—(1) The trustees of an unconnected multiple employer scheme that is pursuing continuity option 1 must send a notice to the trustees or managers of any occupational pension scheme to which they propose to transfer the value of beneficiaries' accrued rights to benefits under the scheme under a default discharge option, the trustees or managers of which are able and willing to accept the transfer.

(2) The notice sent under this paragraph must state that the scheme has been selected as a default discharge option for the purposes of section 36 of the Act (continuity option 1: discharge of liabilities and winding up), for the transfer of the value of beneficiaries' accrued rights to benefits.

(3) The notice must be sent before the end of the period of 14 days beginning with—

(a) the date on which the trustees identify the scheme as a default discharge option for those purposes, or

(b) if later, the date on which the Pensions Regulator notifies the trustees that the implementation strategy is approved.

Trustees' first notice to beneficiaries in respect of discharge options

12.—(1) The trustees of an unconnected multiple employer scheme that is pursuing continuity option 1 must send a notice to each beneficiary of the scheme containing the information mentioned in sub-paragraph (2), in accordance with sub-paragraph (3).

(2) The information is—

(a) details of the default discharge option for the beneficiary;

(b) where the beneficiary can obtain information and guidance about the default discharge option;

(c) details of the beneficiary's right to choose whether the scheme's liability to the beneficiary in respect of the value of the beneficiary's accrued rights to benefits under the scheme is discharged by—

(i) the default discharge option proposed by the trustees, or

(ii) an alternative option specified by the beneficiary;

(d) details of the alternative options available to the beneficiary in accordance with paragraph 14(2);

(e) details of the beneficiary's rights under Chapter 2 of Part 4ZA of the Pension Schemes Act 1993 (early leavers: cash transfer sums and contribution refunds);

(f) next steps and the timetable for future communications with the beneficiary.

(3) A notice under this paragraph must be sent before the end of the period of 14 days beginning with—

(a) the date on which the trustees identify the default discharge option in relation to the beneficiary, or

(b) if later, the date on which the Pensions Regulator notifies the trustees that the implementation strategy is approved.

Trustees' second notice to beneficiaries in respect of discharge options

13.—(1) The trustees of an unconnected multiple employer scheme that is pursuing continuity option 1 must send a second notice to each beneficiary of the scheme containing the information mentioned in sub-paragraph (2), in accordance with sub-paragraph (3).

(2) The information is—

(a) the proposed discharge time;

(b) an estimate of the amount that represents the value of the beneficiary's accrued rights to benefits under the scheme based on the latest quantification in relation to the beneficiary;

(c) details of the default discharge option for the beneficiary including the nature of the arrangement it is proposed will be used to discharge the scheme's liability to the beneficiary and the name of the scheme or insurers the trustees propose to use;

(d) that the scheme's liability to the beneficiary in respect of the value of the beneficiary's accrued rights to benefits under the scheme will be discharged by the default discharge option unless the beneficiary specifies otherwise;

(e) where the beneficiary can obtain information and guidance about the default discharge option;

(f) details of the beneficiary's right to choose whether the value of the beneficiary's accrued rights to benefits under the scheme are discharged by—

(i) the default discharge option proposed by the trustees, or

(ii) an alternative option specified by the beneficiary;

(g) the requirement for a beneficiary who wishes to specify an alternative option to send the trustees of the scheme a notice in accordance with paragraph 14;

(h) details of the alternative options available to the beneficiary in accordance with paragraph 14(2);

(i) details of the beneficiary's rights under Chapter 2 of Part 4ZA of the Pension Schemes Act 1993 (early leavers: cash transfer sums and contribution refunds);

(j) details of where the beneficiary can obtain information and guidance about the alternative options available to the beneficiary;

(k) next steps and the timetable for future communications with beneficiaries.

(3) A notice under this paragraph must be sent before the end of the period of one month beginning with the date on which the winding-up quantification was completed.

Beneficiaries' response to trustees

14.—(1) A beneficiary who has received notice from the trustees under paragraph 13 may give notice to the trustees requiring them to discharge the scheme's liability to the beneficiary in respect of the value of the beneficiary's accrued rights to benefits under the scheme—

(a) in the way set out in the default discharge option, or

(b) in an alternative way specified by the beneficiary.

(2) The alternative ways which may be specified by the beneficiary are—

(a) transferring the value of the beneficiaries' accrued rights to benefits under the scheme to an authorised collective money purchase scheme or an authorised Master Trust scheme;

(b) transferring the value of those rights to a scheme which is—

(i) registered under Chapter 2 of Part 4 of the Finance Act 2004 (registration of pension schemes), and

(ii) a personal pension scheme within the meaning given in section 1(1) of the Pension Schemes Act 1993 (categories of pension schemes) or an occupational pension scheme;

(c) transferring the value of those rights to a member's flexi-access drawdown fund in respect of an arrangement for the purposes of entitlement by the beneficiary to income withdrawal which is an authorised member payment for the purposes of Part 4 of the Finance Act 2004 (pension schemes etc);

(d) transferring the value of those rights to a dependant's flexi-access drawdown fund in respect of an arrangement for the purposes of entitlement by the dependant to dependants' income withdrawal which is an authorised member payment for the purposes of Part 4 of the Finance Act 2004 (pension schemes etc);

(e) transferring the value of those rights to a nominee's flexi-access drawdown fund in respect of an arrangement for the purposes of entitlement by the nominee to nominees' income withdrawal which is an authorised member payment for the purposes of Part 4 of the Finance Act 2004 (pension schemes etc);

(f) transferring the value of those rights to a successor's flexi-access drawdown fund in respect of an arrangement for the purposes of entitlement by the successor to successors' income withdrawal which is an authorised member payment for the purposes of Part 4 of the Finance Act 2004 (pension schemes etc);

(g) securing the payment of benefits by the purchase of one or more policies from one or more insurers authorised by the Financial Conduct Authority for carrying on long-term insurance business in the United Kingdom.

(3) Where the alternative way specified by the beneficiary is that the value of the beneficiary's accrued rights to benefits should be transferred to an alternative pension scheme, the scheme must be one which is able and willing to accept the transfer.

(4) A notice under this paragraph—

(a) must be sent before the end of the period of three months beginning with the day when the beneficiary received notice from the trustees under paragraph 13, and

(b) must contain sufficient information about the alternative way specified by the beneficiary, including bank account details, to enable the trustees to comply with paragraph 17(1).

Notice of expected discharge time

15. Not less than one month before the date of the expected discharge time, the trustees of an unconnected multiple employer scheme that is pursuing continuity option 1 must send a notice of the expected discharge time to—

(a) each beneficiary of the scheme, and

(b) the employers in relation to the scheme.

Trustees' powers

16.—(1) This paragraph applies where the trustees of an unconnected multiple employer scheme that is pursuing continuity option 1 do not receive a notice from a beneficiary in accordance with paragraph 14.

(2) The trustees may discharge the scheme's liability to a beneficiary in respect of the beneficiary's accrued rights to benefits under the scheme in the way set out in the default discharge option for the beneficiary without the consent of the beneficiary.

(3) Where the default discharge option for a beneficiary is the way referred to in paragraph 2(2) and the scheme discharges its liability to the beneficiary in this way without the beneficiary's consent, the beneficiary is deemed to have entered into an agreement with the insurer.

Trustees' duty to transfer

17.—(1) If the trustees of an unconnected multiple employer scheme that is pursuing continuity option 1 receive notice from a beneficiary in accordance with paragraph 14, they must arrange for the scheme's liability to the beneficiary in respect of the beneficiary's accrued rights to benefits under the scheme to be discharged as specified in the notice.

(2) If the trustees do not receive notice from a beneficiary in accordance with paragraph 14, they must arrange for the scheme's liability to the beneficiary in respect of the beneficiary's accrued rights to benefits under the scheme to be discharged in accordance with the default discharge option.

(3) When the trustees have arranged for the scheme's liability to a beneficiary to be discharged in accordance with sub-paragraph (1) or (2) they must notify the beneficiary of—

(a) the value of the beneficiary's accrued rights to benefits under the scheme,

(b) any reductions made in accordance with paragraph 5(3), and

(c) who has or will become liable for the payment of benefits to the beneficiary when the scheme's liability to the beneficiary in respect of the value of the beneficiary's accrued rights to benefits under the scheme is discharged.

Administration charges

18.—(1) This paragraph applies to the trustees or managers of any occupational pension scheme (the "proposed receiving scheme") to which the trustees of an unconnected multiple employer scheme that is pursuing continuity option 1 (the "transferring scheme") propose to transfer the value of beneficiaries' accrued rights to benefits under the scheme, under a default discharge option.

(2) The trustees of the proposed receiving scheme must provide to the Pensions Regulator, in accordance with this paragraph, a document setting out the level of administration charges that applies in relation to members of the proposed receiving scheme.

(3) The document must be provided before the end of the period of 28 days beginning with the date on which the trustees of the proposed receiving scheme receive the notice under paragraph 11.

(4) The document must set out for each charge structure all levels of administration charges (including any discounted levels)—

(a) for each arrangement, including a default arrangement, and any different levels in relation to any one arrangement,

(b) for any additional charges, and the reason for imposing them,

(c) for any third-party charges, and the reason for imposing them, and

(d) for any other type of administration charge in the scheme, and the reason for imposing it.

(5) Where the proposed receiving scheme is a Master Trust scheme the charges must be set out as at the most recent date, not falling within a triggering event period in relation to the transferring scheme, on which the receiving scheme submitted a strategy to the Pensions Regulator under section 12 of the Pension Schemes Act 2017 (continuity strategy requirement).

(6) In all other cases the charges must be set out as at the date the triggering event occurred in relation to the transferring scheme as a result of which continuity option 1 is being pursued.

(7) The levels must be set out on an annualised basis.

(8) Where there is a discounted level, the reason for charging the lower level must also be set out.

(9) The document must include a statement explaining—

(a) how the scheme will be in compliance with section 45(2) of the Act (prohibition on increasing charges etc during triggering event period),

(b) whether the scheme is to be liable for the costs mentioned in section 45(4) of the Act, and

(c) if the scheme is to be liable for those costs, how it is to meet them.

(10) In this paragraph "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.

Trustee discharge

19. Where the trustees of an unconnected multiple employer scheme that is pursuing continuity option 1 have discharged the scheme's liability in respect of a beneficiary's accrued rights to benefits under the scheme in accordance with the requirements of section 36 of the Act (continuity option 1: discharge of liabilities and winding up), the trustees cease to have any further obligation to provide benefits in relation to those rights.

Winding up

20. As soon as practicable after the trustees of an unconnected multiple employer scheme that is pursuing continuity option 1 have, in accordance with section 36 of the Act, discharged the scheme's liability in respect of beneficiaries' accrued rights to benefits under the scheme, they must wind up the scheme.

Regulator's power to direct

21.—(1) The Pensions Regulator may direct the trustees of an unconnected multiple employer scheme to do anything they are permitted or required to do by this Schedule where continuity option 1 is being pursued.

(2) The trustees of an unconnected multiple employer scheme must comply with a direction issued by the Pensions Regulator requiring them to do anything permitted or required by this Schedule.

Civil penalties

22. Section 10 of the Pensions Act 1995 (civil penalties) applies to a person who fails to comply with a requirement imposed by this Schedule, including where the requirement is contained in a direction made under it.

SCHEDULE 7

Regulation 82

Collective money purchase schemes: amendments to secondary legislation

Amendment of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991

1.—(1) The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991(**a**) are amended as follows.

(2) In regulation 12A (discharge of liabilities by collective money purchase scheme which is winding up)—

(a) in paragraph (1) for sub-paragraph (b) substitute—

"(b) the trustees of the scheme do not receive a notice from the beneficiary in accordance with—

(i) where the scheme is a single or connected employer scheme, paragraph 14 of Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022(**b**);

(ii) where the scheme is an unconnected multiple employer scheme, paragraph 14 of Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025.";

(b) in paragraph (2)—

(i) for the definition of "default discharge option" substitute—

""default discharge option" has the meaning given by—

(a) in relation to a single or connected employer scheme, paragraph 1(1) of Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022;

(b) in relation to an unconnected multiple employer scheme, paragraph 1(1) of Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025;";

(ii) after the definition of "default discharge option" insert—

""single or connected employer scheme" and "unconnected multiple employer scheme" have the meanings given by section 1(3) of the Pension Schemes Act 2021(**c**).".

Amendment of the Occupational Pension Schemes (Transfer Values) Regulations 1996

2. In the Occupational Pension Schemes (Transfer Values) Regulations 1996(**d**), in regulation 2A (collective money purchase schemes during winding-up) for paragraph (2) substitute—

(**a**) S.I. 1991/167; regulation 12(7) was inserted by S.I. 2018/240; regulation 12A was inserted by S.I. 2022/337. There are other amending instruments but none is relevant.
(**b**) Paragraph 14 was amended by S.I. 2024/334 and is further amended by regulation 77(f) of this instrument.
(**c**) Section 1(3) is inserted by regulation 3(1) of this instrument.
(**d**) S.I. 1996/1847; regulation 2A was inserted by S.I. 2022/337. There are other amending instruments but none is relevant.

"(2) In this regulation—

"single or connected employer scheme" and "unconnected multiple employer scheme" have the meanings given by section 1(3) of the Pension Schemes Act 2021;

"winding-up period" has the meaning given by—

(a) in relation to a single or connected employer scheme, paragraph 1(1) of Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022;

(b) in relation to an unconnected multiple employer scheme, paragraph 1(1) of Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025.".

Amendment of the Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc.) Regulations 1997

3. In the Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc.) Regulations 1997(**a**), in regulation 8 (exemptions from the inalienability and forfeiture provisions)—

(a) in paragraph (7A)—

(i) from "Schedule 6" to the end becomes sub-paragraph (a);

(ii) at the beginning of that sub-paragraph insert "where the scheme is a single or connected employer scheme,";

(iii) after that sub-paragraph insert—

"(b) where the scheme is an unconnected multiple employer scheme, Schedule 6 (continuity option 1: transfer out and winding up) to the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025.";

(b) for paragraph (9) substitute—

"(9) In paragraph (7A), "periodic income" has the meaning given by—

(a) in relation to a single or connected employer scheme, paragraph 1(1) of Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022;

(b) in relation to an unconnected multiple employer scheme, paragraph 1(1) of Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025.";

(c) after paragraph (9) insert—

"(10) In paragraphs (7A) and (9) "single or connected employer scheme" and "unconnected multiple employer scheme" have the meanings given by section 1(3) of the Pension Schemes Act 2021.".

(**a**) S.I. 1997/785; regulation 8(7A) and (9) were inserted by S.I. 2022/337. There are other amending instruments but none is relevant.

Amendment of the Occupational and Personal Pension Schemes (Consultation by Employers and Miscellaneous Amendment) Regulations 2006

4. In the Occupational and Personal Pension Schemes (Consultation by Employers and Miscellaneous Amendment) Regulations 2006(**a**), in regulation 10 (listed changes: exclusions)—

(a) in paragraph (1)—

(i) in sub-paragraph (ad) for "collective money purchase scheme" substitute "single or connected employer scheme";

(ii) after sub-paragraph (ad) insert—

"(ae) is made in respect of an unconnected multiple employer scheme that is pursuing continuity option 1 in accordance with—

(i) Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025, or

(ii) scheme rules made in accordance with that Schedule,";

(b) in paragraph (5)—

(i) for the definition of "multi-annual reduction" substitute—

""multi-annual reduction" has the meaning given by—

(a) in relation to a single or connected employer scheme, regulation 2(1) of the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022;

(b) in relation to an unconnected multiple employer scheme, regulation 26(1) of the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025;";

(ii) after the definition of "multi-annual reduction" insert—

""single or connected employer scheme" and "unconnected multiple employer scheme" have the meanings given by section 1(3) of the Pension Schemes Act 2021.".

Amendment of the Occupational Pension Schemes (Modification of Schemes) Regulations 2006

5.—(1) The Occupational Pension Schemes (Modification of Schemes) Regulations 2006(**b**) are amended as follows.

(2) In regulation 1(3) (interpretation)—

(a) for the definition of "multi-annual reduction" substitute—

""multi-annual reduction" has the meaning given by—

(a) in relation to a single or connected employer scheme, regulation 2(1) of the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022;

(b) in relation to an unconnected multiple employer scheme, regulation 26(1) of the Occupational Pension Schemes (Collective Money Purchase Schemes)

(**a**) S.I. 2006/349, amended by S.I. 2022/337; there are other amending instruments but none is relevant.
(**b**) S.I. 2006/759, amended by S.I. 2022/337; there are other amending instruments but none is relevant.

(Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025;";

(b) after the definition of "the scheme administrator" insert—

""single or connected employer scheme" has the meaning given by section 1(3) of the Pension Schemes Act 2021;";

(c) at the end insert—

""unconnected multiple employer scheme" has the meaning given by section 1(3) of the Pension Schemes Act 2021".

(3) In regulation 3 (non-application of the subsisting rights provisions)—

(a) at the end of paragraph (k) omit "or";

(b) in paragraph (l)—

(i) for "collective money purchase scheme" substitute "single or connected employer scheme";

(ii) at the end insert "; or";

(c) after paragraph (l) insert—

"(m) which is made in respect of an unconnected multiple employer scheme that is pursuing continuity option 1 in accordance with—

(i) Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025; or

(ii) scheme rules made in accordance with the requirements of that Schedule.".

Amendment of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013

6.—(1) The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013(**a**) are amended as follows.

(2) In regulation 2(1) (interpretation)—

(a) for the definition of "multi-annual reduction" substitute—

""multi-annual reduction"—

(a) in relation to a single or connected employer scheme has the meaning given by regulation 2(1) of the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022, and

(b) in relation to an unconnected multiple employer scheme has the meaning given by regulation 26(1) of the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025;";

(b) after the definition of "scheme year" insert—

""single or connected employer scheme" has the meaning given by section 1(3) of the 2021 Act;";

(c) after the definition of "transferrable rights" insert—

(**a**) S.I. 2013/2734, amended by S.I. 2015/482 and 2022/337; there are other amending instruments but none is relevant.

""unconnected multiple employer scheme" has the meaning given by section 1(3) of the 2021 Act;".

(3) In regulation 24(6) (occupational pension schemes during winding up)—

(a) in sub-paragraph (za) for "collective money purchase scheme" substitute "single or connected employer scheme";

(b) after sub-paragraph (za) insert—

"(zb) in relation to an unconnected multiple employer scheme, in accordance with paragraph 4 of Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025,".

(4) In regulation 29B (additional publication requirements for collective money purchase schemes), after paragraph (5) insert—

"(5A) Where there is a change in relation to the information listed in paragraph 1A of Schedule 11 (statement to be published by unconnected multiple employer schemes), the statement mentioned in sub-paragraph (2)(a) must be altered accordingly, and published as soon as practicable after, and in any event within the period of three months beginning with, the date the change occurred.".

(5) In Schedule 11 (statements to be published by collective money purchase schemes)—

(a) in paragraph 1, at the beginning insert "Where the scheme is a single or connected employer scheme,";

(b) after paragraph 1 insert—

"1A. Where the scheme is an unconnected multiple employer scheme, a summary of—

(a) the rate or amount of benefits provided under the scheme;

(b) how the benefits which accrue each year under the scheme relate to the contributions made into the scheme by, on behalf of or in respect of members.".

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Pension Schemes Act 2021 (c. 1) ("the 2021 Act") in order to remove the exclusion of pension schemes used, or intended to be used, by two or more employers some or all of which are not connected with each other ("unconnected multiple employer schemes") from the definition of "qualifying scheme". This enables such schemes to be "collective money purchase schemes" for the purposes of Part 1 of the 2021 Act, which extends to England and Wales and Scotland. The Regulations also make further provision about such schemes - such as the detail of the authorisation and supervisory regime to which such schemes will be subject, amend the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulation 2022 (S.I. 2022/255) ("the 2022 Regulations") and make provision for amendments to legislation in relation to schemes providing collective money purchase benefits.

Part 2 of the Regulations makes amendments to the 2021 Act.

Regulation 3 amends subsection (2) of section 3 of the 2021 Act, and omits subsection (3) of that section, to remove the limitations on qualifying schemes to (a) pension schemes established solely by one or more persons to whom section 1(2)(a) (employer) of the Pension Schemes Act 1993 applied when the scheme was established and (b) pension schemes used, or intended to be used, only by a single employer or two or more employers that are connected with each other ("single or connected employer schemes"). It also inserts definitions of "single or connected employer scheme" and "unconnected multiple employer scheme" into section 1 of the 2021 Act to enable different provision to be made in relation to each type of scheme.

Regulations 4 to 23 make amendments to the 2021 Act to make provision about unconnected multiple employer schemes. Regulation 5 amends section 9 of the 2021 Act to provide additional authorisation criteria that must be met by unconnected multiple employer schemes. Regulation 9 amends section 14 of the 2021 Act to require the Pensions Regulator to be satisfied that the business strategy relating to the scheme is sound in order to be satisfied that an unconnected multiple employer scheme is financially sustainable. Regulation 10 inserts section 14A into the 2021 Act, requiring the scheme proprietor of an unconnected multiple employer scheme to prepare a business plan for the scheme, which the Pensions Regulator must take into account in deciding whether it is satisfied that the business strategy relating to the scheme is sound. Schedules 1A and 1B, which are inserted into the 2021 Act by regulation 23 make provision about the matters the Pensions Regulator must and may take into account in deciding whether a scheme's business strategy is sound and about the business plan. Other provisions of Part 2 of the Regulations amend the 2021 Act to reflect these changes.

Part 3 of the Regulations makes provision about when an employer is connected with another employer for the purposes of determining whether a scheme is a single or connected employer scheme or an unconnected employer scheme.

Part 4 of the Regulations makes provision about unconnected multiple employer schemes. This Part makes provision equivalent to the 2022 Regulations, which will continue to have effect in relation to single or connected employer schemes. There are some differences to reflect the different nature of unconnected multiple employer schemes and the additional authorisation criteria that will apply to such schemes. Chapter 1 makes preliminary provision covering application, interpretation and notices. Chapter 2 makes provision about schemes divided into sections. Chapter 3 makes provision about authorisation. Chapter 4 makes provision about the provisions that must

be included in scheme rules relating to the calculation of benefits, about actuarial valuations and about benefit adjustments. Chapter 5 makes provision about ongoing supervision including about supervisory returns, significant events and risk notices. Chapter 6 (including Schedule 6), makes provision about triggering events and continuity options, including provision about administration charges during a triggering event period.

Part 5 of the Regulations amends the 2022 Regulations. Regulation 59 limits the application of the 2022 Regulations to single or connected employer schemes (other than where the 2022 Regulations make amendments to other instruments). Regulation 61 omits regulation 3 of the 2022 Regulations which made provision about when an employer is connected with another employer. This is now provided for in Part 3 of these Regulations. Regulations 60 and 62 to 77 make changes for consistency between the 2022 Regulations and these Regulations.

Part 6 of the Regulations amends the Pension Schemes Act 1993 (c. 48), the Pensions Act 1995 (c. 26) and the Pensions Act 2004 (c. 35) to ensure that relevant definitions of "scheme rules" incorporate overrides made by virtue of these Regulations. It also amends the Pensions Act 2004 to reflect changes to the provisions in the 2021 Act about risk notices provided for by regulation 15. It also amends the Pension Schemes Act 2017 (c. 17) to provide that unconnected multiple employer schemes are not Master Trusts for the purposes of that Act and to make provision for cases where a section of a Master Trust is subject to the provisions of the 2021 Act. Part 6 also introduces Schedule 7 which makes consequential amendments to secondary legislation.

A full impact assessment of the effect that this instrument will have on the costs of business, the voluntary sector and the public sector is published with the Explanatory Memorandum alongside this instrument on the UK legislation website www.legislation.gov.uk. A hard copy of the impact assessment may be obtained from the Department for Work and Pensions, Caxton House, Tothill Street, London SW1H 9NA.

© Crown Copyright 2025

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Saul Nassé, Controller of His Majesty's Stationery Office and King's Printer of Acts of Parliament.