



2016 CHAPTER 1

PART 2

COLLECTIVE BENEFITS

*Cash equivalents*

**Policy for calculating cash equivalent of benefits**

**25.—**(1) Regulations may require the trustees or managers of a pension scheme—

- (a) to have a policy about the calculation and verification of the cash equivalent of any collective benefit that may be provided by the scheme;
- (b) to follow that policy in calculating or verifying any cash equivalent.

(2) In this section “cash equivalent” means the cash equivalent mentioned in the following—

- (a) section 89A(3) of the Pension Schemes Act;
- (b) section 97H(1) of that Act;
- (c) Article 26(2) and (3) of the Welfare Reform and Pensions (Northern Ireland) Order 1999; and
- (d) any other provision specified in regulations.

(3) Regulations under subsection (1) may, in particular—

- (a) require the trustees or managers to consult about the policy;
- (b) require the trustees or managers to ensure that the policy is consistent with any requirements imposed by regulations under section 93 or 97I of the

Pension Schemes Act or Article 27 of the Welfare Reform and Pensions (Northern Ireland) Order 1999 or any other specified requirements;

- (c) make other provision about the content of the policy;
- (d) set out matters that the trustees or managers must take into account, or principles they must follow, in formulating the policy;
- (e) make provision about reviewing and revising the policy.