



Pension Schemes Act 2015

CHAPTER 8

PENSION SCHEMES ACT 2015

PART 1

CATEGORIES OF PENSION SCHEME

- 1 Introduction
- 2 Defined benefits scheme
- 3 Shared risk scheme (sometimes known as “defined ambition”)
- 4 Defined contributions scheme
- 5 Meaning of “pensions promise” etc
- 6 Treatment of a scheme as two or more separate schemes
- 7 Interpretation of Part 1

PART 2

COLLECTIVE BENEFITS

Introduction and nature of collective benefits

- 8 Introduction and definition
- 9 Duty to set targets for collective benefits
- 10 Policy about factors used to determine each benefit
- 11 Power to impose requirements about factors used to determine each benefit

Contributions

- 12 Payment schedule
- 13 Overdue contributions and other payments

Status: This is the original version (as it was originally enacted).

Investment

- 14 Statement of investment strategy
- 15 Investment performance reports
- 16 Investment powers
- 17 Restriction on borrowing by trustees or managers
- 18 Investment powers: duty of care

Valuation

- 19 Valuation reports
- 20 Valuation process

Dealing with deficits and surpluses

- 21 Policy for dealing with a deficit or surplus
- 22 Power to impose requirements about dealing with a deficit or surplus
- 23 Deficits attributable to an offence or the imposition of a levy
- 24 Payment of amounts out of collective benefit funds

Cash equivalents

- 25 Policy for calculating cash equivalent of benefits

Winding up

- 26 Winding up
- 27 Requirement to wind up scheme in specified circumstances
- 28 Policies about winding up

Identifying assets

- 29 Working out which assets are available for the provision of which benefits

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- 30 Requirement to obtain actuarial advice
- 31 Sub-delegation
- 32 Publication of documents etc
- 33 Enforcement
- 34 Overriding requirements

Interpretation of Part 2

- 35 Interpretation of Part 2

PART 3

GENERAL CHANGES TO LEGISLATION ABOUT PENSION SCHEMES

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- 36 Pensions promise obtained from third party
- 37 Duty to act in the best interests of members
- 38 Disclosure of information about schemes

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- 39 Extension of preservation of benefit under occupational pension schemes
- 40 Revaluation of accrued benefits

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- 41 Collective benefits exempt from indexation
- 42 Regulatory own fund schemes exempt from indexation
- 43 Power to create other exemptions from indexation

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- 44 Removal of requirement to maintain register of independent trustees

Rules about modification of schemes

- 45 Rules about modification of schemes

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- 46 Other amendments to do with Parts 1 and 2

PART 4

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- 47 Pensions guidance

CHAPTER 2

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- 48 Independent advice in respect of conversions and transfers: Great Britain
- 49 Power to require employer to arrange advice for purposes of section 48
- 50 Independent advice: consequential amendments: Great Britain

Northern Ireland

- 51 Independent advice in respect of conversions and transfers: Northern Ireland
- 52 Power to require employer to arrange advice for purposes of section 51
- 53 Independent advice: consequential amendments: Northern Ireland

Income tax exemption

- 54 Independent advice: income tax exemption

CHAPTER 3

DRAWDOWN, CONVERSION OF BENEFITS AND LUMP SUMS

Great Britain

- 55 Sums or assets that may be designated as available for drawdown: Great Britain
- 56 Provision about conversion of certain benefits for drawdown: Great Britain
- 57 Provision about calculation of lump sums: Great Britain
- 58 Restrictions on conversion of benefits during winding up etc: Great Britain
- 59 Restriction on payment of lump sums during PPF assessment period: Great Britain
- 60 Sections 55 to 57: consequential amendments

Northern Ireland

- 61 Sums or assets that may be designated as available for drawdown: Northern Ireland
- 62 Provision about conversion of certain benefits for drawdown: Northern Ireland
- 63 Provision about calculation of lump sums: Northern Ireland
- 64 Restrictions on conversion of benefits during winding up etc: Northern Ireland
- 65 Restriction on payment of lump sums during PPF assessment period: Northern Ireland
- 66 Sections 61 to 63: consequential amendments

CHAPTER 4

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Rights to transfer benefits

- 67 Rights to transfer benefits

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- 68 Restriction on transfers out of unfunded public service defined benefits schemes: Great Britain
- 69 Reduction of cash equivalents: funded public service defined benefits schemes: Great Britain
- 70 Sections 68 and 69: consequential amendments

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- 71 Restriction on transfers out of unfunded public service defined benefits schemes: Northern Ireland
- 72 Reduction of cash equivalents: funded public service defined benefits schemes: Northern Ireland
- 73 Sections 71 and 72: consequential amendments

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- 74 Meaning of “flexible benefit”
- 75 Meaning of “cash balance benefit”
- 76 Interpretation of Part 4

PART 5

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- 77 Payments into Remploy Limited Pension and Assurance Scheme

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- 78 Pension scheme for fee-paid judges
- 79 Judicial pensions: pension sharing on divorce etc
- 80 Public service pension schemes

Marriage of same sex couples

- 81 Extension to Scotland of certain provisions about marriage of same sex couples

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- 82 Pension sharing and normal benefit age

PART 6

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- 83 Power to make consequential amendments
- 84 Regulations
- 85 Regulations: Northern Ireland
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- 87 Crown application
- 88 Extent
- 89 Commencement
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SCHEDULES

SCHEDULE 1 — Early leavers: revaluation of accrued benefits

- 1 The Pension Schemes Act 1993 is amended as follows.
- 2 Before section 83 insert— Overview and meaning of “the 2015...
- 3 In section 83, for subsection (1A) substitute—
- 4 For section 84 substitute— Old basis of revaluation: occupational pension...
- 5 After section 85 insert— Power to add revaluation methods for...
- 6 After section 86 insert— The revaluation methods The revaluation methods referred to in this Chapter are defined...

Status: This is the original version (as it was originally enacted).

- 7 In section 186(3) (statutory instruments subject to affirmative procedure), after...
- 8 In Schedule 3 to that Act (revaluation methods), before paragraph...
- 9 Omit paragraphs 3A and 4 of that Schedule.
- 10 In paragraph 5(1) of that Schedule, for “if his pensionable...
- 11 Omit the following, which are no longer needed given the...

SCHEDULE 2 — Other amendments to do with Parts 1 and 2

- 1 Pension Schemes Act 1993 (c. 48)
- 2 In section 83 (scope of provisions about revaluation of benefits...
- 3 In section 113 (disclosure of information about schemes to members...
- 4 In section 124 (duty of Secretary of State to pay...
- 5 (1) In section 181 (interpretation), subsection (1) is amended as...
- 6 Pensions Act 1995 (c. 26)
- 7 In section 37 (payment of surplus to employer), in subsection...
- 8 In section 38 (power to defer winding up), in subsection...
- 9 In section 51 (annual increase in rate of pension), in...
- 10 In section 51A (restrictions on increase where annuity tied to...
- 11 In section 73 (preferential liabilities on winding up), for subsection...
- 12 In section 75 (employer debt where deficiency in assets on...
- 13 (1) Section 87 (schedules of payments to money purchase schemes)...
- 14 For the italic cross-heading above section 87 substitute “Schemes providing...
- 15 In the heading to section 88 (schedules of payments to...
- 16 (1) Section 89 (application of further provisions to money purchase...
- 17 In section 124 (interpretation), in subsection (1), at the appropriate...
- 18 (1) Section 125 (interpretation of Part 1: supplementary) is amended...
- 19 Welfare Reform and Pensions Act 1999 (c. 30)
- 20 Financial Services and Markets Act 2000 (c. 8)
- 21 In section 137FA (FCA general rules: disclosure of information about...
- 22 (1) Section 142X (interpretation of provisions about ring-fencing) is amended...
- 23 Pensions Act 2004 (c. 35)
- 24 In section 13 (improvement notices), in subsection (7)—
- 25 In section 17 (power of the Regulator to recover unpaid...
- 26 (1) Section 23 (freezing orders) is amended as follows.
- 27 In section 38 (contribution notices where avoidance of employer debt),...
- 28 (1) Section 43 (financial support directions) is amended as follows....
- 29 In section 52 (restoration orders where transactions at an undervalue),...
- 30 (1) Section 90 (codes of practice) is amended as follows....
- 31 In section 126 (schemes eligible for pension protection), for subsection...
- 32 For section 221 (application of scheme funding rules) substitute—
Pension...
- 33 In section 254 (representative of non-European scheme to be treated...
- 34 In section 258 (pension protection on transfer of employment: form...
- 35 In section 286 (financial assistance scheme for members of certain...
- 36 In section 291 (duty of trustees or managers to act...
- 37 In section 307 (modification of Pensions Act 2004 in relation...
- 38 (1) Section 318 (interpretation) is amended as follows.
- 39 Pensions Act 2008 (c. 30)
- 40 (1) Section 20 (quality requirement: UK money purchase schemes) is...

- 41 In section 21 (quality requirement: UK defined benefits schemes) for...
- 42 In section 23A (alternative quality requirements for UK defined benefits...
- 43 (1) Section 24 (quality requirement: UK hybrid schemes) is amended...
- 44 (1) Section 26 (quality requirement: UK personal pension schemes) is...
- 45 (1) Section 28 (certification that quality requirement or alternative requirement...
- 46 For the heading to section 29 substitute “Transitional periods for...
- 47 (1) Section 30 (transitional period for defined benefits and hybrid...
- 48 In section 35 (compliance notices), in subsection (5), for “a...
- 49 In section 38 (calculation and payment of contributions), in subsection...
- 50 (1) Section 99 (interpretation) is amended as follows.
- 51 Pensions Act 2014 (c. 19)

SCHEDULE 3 — Pensions guidance

- 1 The Financial Services and Markets Act 2000 is amended as...
- 2 After section 333 insert— PART 20A PENSIONS GUIDANCE
Introduction and...
- 3 In section 1B (the FCA’s general duties), after subsection (7)...
- 4 In section 1M (the FCA’s general duty to consult), after...
- 5 In section 1S (reviews by independent person into discharge of...
- 6 After section 137FA insert— FCA general rules: disclosure of information...
- 7 (1) Section 138F (notification of rules) is amended as follows....
- 8 In section 138I (rules: consultation by the FCA)—
- 9 In section 139A (power of the FCA to give guidance),...
- 10 In section 140A (competition scrutiny: interpretation), in subsection (1), in...
- 11 In section 168 (appointment of persons to carry out investigations...
- 12 In section 429 (Parliamentary control of statutory instruments), in subsection...
- 13 In Schedule 1ZA (the FCA), in paragraph 8 (arrangements for...
- 14 In that Schedule, in paragraph 11 (annual report), in sub-paragraph...
- 15 In that Schedule, in paragraph 21 (FCA financial penalty scheme),...
- 16 In that Schedule, in paragraph 23 (fees)—
- 17 In section 85 of the Financial Services Act 2012 (relevant...
- 18 (1) For the purpose of the exercise of a function...
- 19 Expenses incurred by the Financial Conduct Authority before the day...

SCHEDULE 4 — Rights to transfer benefits

PART 1 — GREAT BRITAIN AMENDMENTS

- 1 Judicial Pensions Act 1981 (c. 20)
- 2 Judicial Pensions and Retirement Act 1993 (c. 8)
- 3 Pension Schemes Act 1993 (c. 48)
- 4 (1) Chapters 4 and 5 of Part 4 of the...
- 5 In section 24F (transfers out of GMP-converted schemes), in subsection...
- 6 Until the coming into force of its repeal by Schedule...
- 7 In section 73 (form of short service benefit and its...
- 8 For sections 93 to 94 substitute— Scope of Chapter 1...
- 9 (1) Section 95 (ways of taking right to cash equivalent)...
- 10 (1) Section 96 (further provisions concerning exercise of option under...
- 11 (1) Section 97 (calculation of cash equivalents) is amended as...

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- 12 For section 98 substitute— Loss of right to cash equivalent...
- 13 (1) Section 99 (trustees’ duties after exercise of option) is...
- 14 After section 100 insert— Prohibition on excluding future accruals etc...
- 15 (1) Section 101F (power to give transfer notice) is amended...
- 16 For section 101G (restrictions on power to give transfer notice)...
- 17 (1) Section 101H (salary related schemes: statements of entitlement) is...
- 18 (1) Section 101J (time for compliance with transfer notice) is...
- 19 In section 101M (effect of transfer on trustees’ duties), for...
- 20 After section 101N insert— Prohibition on excluding transfers of
some...
- 21 (1) Section 101P (interpretation) is amended as follows.
- 22 Omit section 101Q.
- 23 In section 129 (overriding requirements), in subsection (1), for
“Chapters...
- 24 In section 130 (extra-statutory benefits), in paragraph (b), for “Chapter...
- 25 In section 153 (power to modify certain provisions), in subsection...
- 26 In section 179 (linked qualifying service), in subsection (1)(a)—
- 27 In section 181 (interpretation), in subsection (1), in paragraph (b)...
- 28 Pensions Act 1995 (c. 26)
- 29 In section 67A (the subsisting rights provisions: interpretation), in
subsection...
- 30 In section 73 (preferential liabilities on winding up), in subsection...
- 31 In section 73B (sections 73 and 73A: supplementary), in subsection...
- 32 In section 124 (interpretation of Part 1), in subsection (1),...
- 33 Learning and Skills Act 2000 (c. 21)
- 34 Pensions Act 2004 (c. 35)
- 35 (1) Section 18 (pension liberation: interpretation) is amended as
follows....
- 36 In section 23 (freezing orders), in subsection (4)(g), for “salary...
- 37 In section 24 (consequences of freezing order), in subsection (7),...
- 38 In section 73 (inspection of premises), in subsection (2)(d)—
- 39 In section 135 (restrictions on winding up, discharge of liabilities...
- 40 In section 138 (payment of scheme benefits), in subsection (3)(b),...
- 41 (1) Section 318 (interpretation) is amended as follows.
- 42 (1) Schedule 7 (pension compensation provisions) is amended as
follows....
- 43 Scottish Parliamentary Pensions Act 2009 (asp 1)
- 44 Pensions Act 2014 (c. 19)
- 45 In section 34 (power to prohibit offer of incentives to...
- 46 In Schedule 17 (automatic transfer of pension benefits etc), in...
- PART 2 — NORTHERN IRELAND AMENDMENTS
- 47 Judicial Pensions Act 1981 (c. 20)
- 48 Judicial Pensions and Retirement Act 1993 (c. 8)
- 49 Pension Schemes (Northern Ireland) Act 1993 (c. 49)
- 50 (1) Chapters 4 and 5 of Part 4 of the...
- 51 In section 20F (transfers out of GMP-converted schemes), in
subsection...
- 52 In section 52 (payment of state scheme premiums on termination...
- 53 In section 69 (form of short service benefit and its...
- 54 For sections 89 to 90 substitute— Scope of Chapter 1...
- 55 (1) Section 91 (ways of taking right to cash equivalent)...
- 56 (1) Section 92 (further provisions concerning exercise of option under...
- 57 (1) Section 93 (calculation of cash equivalents) is amended as...

- 58 For section 94 substitute— Loss of right to cash equivalent...
- 59 (1) Section 95 (trustees' duties after exercise of option) is...
- 60 After section 96 insert— Prohibition on excluding future accruals etc...
- 61 (1) Section 97F (power to give transfer notice) is amended...
- 62 For section 97G (restrictions on power to give transfer notice)...
- 63 (1) Section 97H (salary related schemes: statements of entitlement) is...
- 64 (1) Section 97J (time for compliance with transfer notice) is...
- 65 In section 97M (effect of transfer on trustees' duties), for...
- 66 After section 97N insert— Prohibition on excluding transfers of some...
- 67 (1) Section 97P (interpretation) is amended as follows.
- 68 Omit section 97Q.
- 69 In section 125 (overriding requirements), in subsection (1), for
“Chapters...
- 70 In section 126 (extra-statutory benefits), in paragraph (b), for “Chapter...
- 71 In section 149 (power to modify certain provisions), in subsection...
- 72 In section 174 (linked qualifying service), in subsection (1)(a)—
- 73 In section 176 (interpretation), in subsection (1), in paragraph (b)...
- 74 Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22))
- 75 In Article 67A (the subsisting rights provisions: interpretation), in
paragraph...
- 76 In Article 73 (preferential liabilities on winding up), in paragraph...
- 77 In Article 73B (Article 73 and 73A: supplementary), in paragraph...
- 78 In Article 121 (interpretation of Part 2), in paragraph (1),...
- 79 Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1))
- 80 (1) Article 2 (interpretation) is amended as follows.
- 81 (1) Article 14 (pension liberation: interpretation) is amended as
follows....
- 82 In Article 19 (freezing orders), in paragraph (4)(g), for “salary...
- 83 In Article 20 (consequences of freezing order), in paragraph (7),...
- 84 In Article 68 (inspection of premises), in paragraph (2)(d)—
- 85 In Article 119 (restrictions on winding up, discharge of liabilities...
- 86 In Article 122 (payment of scheme benefits), in paragraph (3)(b),...
- 87 (1) Schedule 6 (pension compensation provisions) is amended as
follows....

SCHEDULE 5 — Pension scheme for fee-paid judges: consequential amendments

- 1 Pensions (Increase) Act 1971 (c. 56)
- 2 In section 19(2)(a) (extent to Northern Ireland)—
- 3 In Schedule 2 (official pensions), after paragraph 4A insert— A pension
payable under a scheme made under section 18A...
- 4 Judicial Pensions and Retirement Act 1993 (c. 8)
- 5 In section 22 (application of the Pensions (Increase) Act 1971...
- 6 (1) Section 28 (funding arrangements) is amended as follows.
- 7 In section 28A (contributions in respect of Northern Ireland judges),...
- 8 (1) Section 29 (regulations and orders) is amended as follows....