Pension Schemes Act 2017

2017 CHAPTER 17

PART 1

MASTER TRUSTS

Triggering events: continuity

33 Prohibition on increasing charges etc during triggering event period

(1) During a triggering event period for a Master Trust scheme, the trustees must not—

(a) impose any administration charges on or in respect of members at levels above those set out in the implementation strategy,

(b) impose any new administration charges on or in respect of members, or

(c) impose any administration charges on or in respect of a member in consequence of the member leaving, or deciding to leave, the scheme during that period.

(2) The trustees of a receiving scheme that is a Master Trust scheme must not—

(a) impose any administration charges on or in respect of members at levels above those set out in the document provided to the Regulator by virtue of regulations under section 24(5)(i), or

(b) impose any new administration charges on or in respect of members,

for the purposes of meeting any of the costs mentioned in subsection (3).

(3) The costs are costs for which a receiving scheme is liable which—

(a) were incurred by the transferring scheme, or

(b) relate directly to the transfer of members' accrued rights or benefits from the transferring scheme.

(4) The Secretary of State may by regulations make provision about—

(a) how levels of administration charges are to be calculated for the purposes of this section;

(b) how to determine for the purposes of subsection (2) the purposes for which charges are increased or imposed;

(c) how to determine whether costs for which a receiving scheme is liable fall within subsection (3)(a) or (b).

(5) This section overrides any provision of—

(a) the Master Trust scheme, and

(b) a Master Trust scheme contract,

to the extent that there is a conflict.

(6) The Secretary of State may by regulations apply some or all of the provisions of this section to a receiving scheme that has characteristics specified in regulations under section 24(2)(b).

(7) Section 10 of the Pensions Act 1995 (civil penalties) applies to a trustee who fails to comply with subsection (1) or (2).

(8) In this section—

"receiving scheme" means a pension scheme that—

(a) receives a transfer of the accrued rights or benefits of members of a transferring scheme during a triggering event period for the transferring scheme, and

(b) was proposed by the trustees of the transferring scheme, or by employers in relation to that scheme, as a scheme to which those rights or benefits should be transferred;

"transferring scheme" means a Master Trust scheme the trustees of which, following a triggering event, are pursuing continuity option 1.

(9) Regulations under subsection (6) are subject to affirmative resolution procedure.

(10) Other regulations under this section are subject to negative resolution procedure.