
STATUTORY INSTRUMENTS

2022 No. 337

The Occupational Pension Schemes (Collective Money Purchase Schemes) (Modifications and Consequential and Miscellaneous Amendments) Regulations 2022

PART 2

Amendments

Amendments to the Occupational Pension Schemes (Transfer Values) Regulations 1996

3.—(1) The Occupational Pension Schemes (Transfer Values) Regulations 1996(1) are amended as follows.

(2) In regulation 1 (citation, commencement and interpretation)(2), in paragraph (2), in the appropriate place insert—

““collective money purchase scheme” means a scheme or a section of a scheme which is a collective money purchase scheme for the purposes of Part 1 of the Pension Schemes Act 2021;”.

(3) After regulation 2 (pre-1986 leavers) insert—

“Collective money purchase schemes during winding-up

2A.—(1) Chapter 1 of Part 4ZA of the 1993 Act does not apply to a member of a collective money purchase scheme which is pursuing continuity option 1 within the meaning of sections 34 and 36 of the Pension Schemes Act 2021, during the winding-up period for that scheme.

(2) In this regulation, “winding-up period” has the meaning given by paragraph 1(1) of Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022.”

(4) In regulation 7 (manner of calculation and verification of cash equivalents – general provisions)(3)—

(a) in paragraph 1(a)(i), omit “or”;

(b) in paragraph 1(a)(ii), for “money purchase benefits and cash balance benefits” substitute “cash balance benefits and money purchase benefits other than collective money purchase benefits, or”;

(c) after paragraph 1(a)(ii) insert—

“(iii) for collective money purchase benefits, in accordance with regulation 7ZC;”;

(d) for paragraph (7) substitute—

(1) S.I. 1996/1847.

(2) Regulation 1 was amended by S.I. 1997/786, S.I. 1997/1613, S.I. 2003/1727, S.I. 2005/3377, S.I. 2007/60, S.I. 2008/1050, S.I. 2011/1246, S.I. 2012/692, S.I. 2014/1711, and S.I. 2015/498.

(3) Regulation 7 was substituted by S.I. 2008/1050 and amended by S.I. 2014/1711.

“(7) Where the cash equivalent relates to more than one of the benefits specified in paragraphs (1)(a)(i) to (1)(a)(iii), the initial cash equivalent is to be calculated—

- (a) for the portion falling within paragraph (1)(a)(i), in accordance with regulations 7A and 7B;
- (b) for the portion falling within paragraph (1)(a)(ii), in accordance with regulation 7C; and
- (c) for the portion falling within paragraph (1)(a)(iii), in accordance with regulation 7ZC.”.

(5) In the heading to regulation 7C (manner of calculation of initial cash equivalents for money purchase benefits and cash balance benefits not calculated by reference to final salary)⁽⁴⁾, after “money purchase benefits” insert “(other than collective money purchase benefits)”.

(6) In regulation 7C, in paragraph (1), after “money purchase benefits” insert “other than collective money purchase benefits”.

(7) After regulation 7C insert—

“Manner of calculation of initial cash equivalents for collective money purchase benefits

7ZC.—(1) For collective money purchase benefits, the initial cash equivalent is the realisable value of the member’s share at the date of calculation of the available assets of the collective money purchase scheme, and is to be calculated—

- (a) on an actuarial basis;
 - (b) using assumptions determined in accordance with this regulation; and
 - (c) in accordance with the scheme rules, to the extent that they are consistent with sub-paragraphs (a) and (b).
- (2) Having taken the advice of the actuary, the trustees must—
- (a) determine the economic, financial and demographic assumptions; and
 - (b) calculate the initial cash equivalent by using the assumptions so determined.
- (3) In determining the demographic assumptions, the trustees must have regard to—
- (a) the main characteristics of the members of the scheme; or
 - (b) where the members of the scheme do not form a large enough group to allow demographic assumptions to be made, the characteristics of a wider population sharing similar characteristics to the members.

(4) The trustees must have regard to the scheme’s investment strategy when deciding what assumptions will be included in calculating the discount rates in respect of the member.

(5) The trustees must determine the assumptions under this regulation with the aim that, taken as a whole, they should lead to the best estimate of the initial cash equivalent.

(6) In this regulation, “the available assets of the collective money purchase scheme” has the meaning given by section 2(2) of the Pension Schemes Act 2021 “the available assets of the scheme”.”.

(8) In regulation 13(1) (extension of time limits for payment of cash equivalents)⁽⁵⁾—

⁽⁴⁾ Regulation 7C was inserted by [S.I. 2008/1050](#) and amended by [S.I. 2008/2450](#), [S.I. 2014/1711](#) and [S.I. 2015/498](#).

⁽⁵⁾ Regulation 13(1) was amended by [S.I. 2005/686](#), [2016/200](#) and [2018/1030](#); there are other amending instruments but none is relevant.

- (a) for “section 99(2)(a) or, as the case may be, (b)” substitute “section 99(2)(a), (b) or, as the case may be, (c)(6)”;
 - (b) at the end of sub-paragraph (bb) omit “or”;
 - (c) after sub-paragraph (bb) insert—
 - “(bc) the scheme is, or within the three months immediately before the end of that period has been, the subject of a pause order under section 44(5) of the Pension Schemes Act 2021(7) which contains a direction under section 44(5)(e) of that Act (no transfers etc. of members’ rights); or”;
 - (d) in sub-paragraph (c), for “(ba) or (bb)” substitute “(ba), (bb) or (bc)”.
- (9) In Schedule 1 (information to be made available to members)(8), after paragraph 3 insert—
- “4. Where information is made available under this Schedule to a member of a collective money purchase scheme, the information to be made available to such a member also includes—
- (a) a statement that the Money and Pensions Service provides information about transfers that may assist the member in deciding whether to transfer;
 - (b) an explanation of any potential adverse consequences for the member of transferring before normal pension age;
 - (c) an explanation of the trustees’ duties under section 99A of the 1993 Act (trustees’ further duties: collective money purchase benefits);
 - (d) an explanation that the member will not be able to transfer in the event of the scheme pursuing continuity option 1 within the meaning of sections 34 and 36 of the Pension Schemes Act 2021.”.

(6) Section 99(2)(c) was inserted by section 25(4)(c) of the Pension Schemes Act 2021 (c. 1).

(7) 2021 c. 1.

(8) Schedule 1 was amended by S.I. 2008/1050, 2013/4722015/498 and 2019/383.