
STATUTORY INSTRUMENTS

2024 No. 462

The Occupational Pension Schemes (Funding and Investment Strategy and Amendment) Regulations 2024

PART 4

AMENDMENTS TO REGULATIONS

Amendments to the Occupational Pension Schemes (Scheme Funding) Regulations 2005

20.—(1) The Occupational Pension Schemes (Scheme Funding) Regulations 2005⁽¹⁾ are amended in accordance with paragraphs (2) to (5).

(2) In regulation 2(1) (interpretation), in the appropriate places, insert—

““the Funding and Investment Strategy Regulations” means the Occupational Pension Schemes (Funding and Investment Strategy and Amendment) Regulations 2024;”;

““relevant date” has the meaning given by regulation 2 of the Funding and Investment Strategy Regulations;”.

(3) In regulation 7 (actuarial valuations and reports)—

(a) in paragraph (4)—

(i) at the end of sub-paragraph (a) omit “and”;

(ii) at the end of sub-paragraph (b) omit “.” and insert—

“, and

(c) the actuary’s estimate of—

(i) the maturity of the scheme as at the effective date of the valuation,

(ii) the maturity of the scheme as at the relevant date, where the relevant date is different from the effective date of the valuation,

(iii) the date on which the scheme is expected to (or, if applicable, did) reach significant maturity, and

(iv) the funding level⁽²⁾ of the scheme as at the effective date of the valuation, calculated in accordance with the requirements in regulation 9(2) of the Funding and Investment Strategy Regulations (actuarial methods and assumptions for purposes of funding level) and expressed as a ratio.”.

(b) after paragraph (4) insert—

“(4A) Where, for the purposes of the actuary’s estimates in paragraph (4)(c), the actuary is required to use actuarial assumptions, the actuary must use the assumptions chosen by the trustees or managers of the scheme, in accordance with the Funding and Investment

(1) S.I. 2005/3377.

(2) “Funding level” is defined by section 221A(3)(a) of the Act.

Strategy Regulations, for the purposes of the determination or revision of the funding and investment strategy for which the actuarial valuation is the actuarial valuation to which the funding and investment strategy relates.”

- (c) in paragraph (6), for “paragraph (4)” substitute “paragraph (4)(b)”, and
- (d) after paragraph (7) insert—

“(8) For the purposes of paragraph (4)(c)(i) to (iii), the estimates are to be determined in accordance with the principles in regulation 4(1) to (4) of the Funding and Investment Strategy Regulations (scheme maturity).

(9) In paragraph (4A), “the actuarial valuation to which the funding and investment strategy relates” has the meaning given by regulation 2 of the Funding and Investment Strategy Regulations (interpretation).

(10) Paragraphs (4)(c), (4A) and (8) apply only in relation to actuarial valuations with an effective date on or after 22nd September 2024. ”.

- (4) In regulation 8 (recovery plan)—

- (a) after paragraph (1) insert—

“(1A) For the purposes of section 226(3A) of the 2004 Act⁽³⁾ (principles to be followed in determining whether a recovery plan is appropriate), in determining whether a recovery plan is appropriate having regard to the nature and circumstances of the scheme, the trustees or managers must follow the principle that the period specified for the purposes of section 226(2)(b) of the 2004 Act (recovery plan: period within which steps to be taken to meet the statutory funding objective is to be achieved) must be as soon as the employer can reasonably afford.”

- (b) in paragraph (2)—

- (i) in sub-paragraph (d) omit “, and” and insert “;”, and

- (ii) at the end of sub-paragraph (e) insert—

“, and

- (f) the impact of the recovery plan on the sustainable growth of the employer”, and

- (c) after paragraph (7) insert—

“(7A) The requirement in paragraph (7)(a) does not apply where the effective date of the actuarial valuation to which the recovery plan relates is on or after 22nd September 2024.

(7B) Paragraphs (1A) and (2)(f) apply only in relation to recovery plans where the effective date of the actuarial valuation to which the recovery plan relates is on or after 22nd September 2024.”.

(5) In paragraphs 1(1), (4) and (6), 4(4), 5(3), 7 and 10 of Schedule 2 (modifications of the Act and Regulations), after “Part 3 of the 2004 Act” each time it occurs insert “, the Funding and Investment Strategy Regulations”.

(3) Section 226(3A) of the Act was inserted by paragraph 5 of Schedule 10 to the Pension Schemes Act 2021.