



2021 CHAPTER 6

PART 1

Master Trusts

Supplementary

Fraud compensation

36.—(1) The Department may by regulations modify Articles 165 to 170 of the 2005 Order (fraud compensation) as they apply in relation to—

- (a) Master Trust schemes;
 - (b) schemes to which some or all of the provisions of this Part apply by virtue of section 40.
- (2) Regulations under this section are subject to negative resolution.

Master trusts in operation on commencement: transitional provision

37. Schedule 2 makes provision about the application of this Part in relation to Master Trust schemes that are in operation before the date on which section 3 comes into operation.

Minor and consequential amendments

38.—(1) Schedule 3 makes minor and consequential amendments relating to this Part.

(2) The Department may by regulations make provision that is consequential upon any provision of this Part.

(3) Regulations under this section may amend, repeal or revoke any statutory provision passed or made before the passing of this Act.

(4) Regulations under this section which amend, repeal or revoke an Act of Parliament or Northern Ireland legislation (within the meaning of section 24(5) of the Interpretation Act 1978) are subject to the confirmatory procedure.

(5) Otherwise, regulations under this section are subject to negative resolution.

Interpretation of Part 1

39.—(1) In this Part—

the “accounts” of a Master Trust scheme means the accounts audited by the auditor of the scheme (and see subsection (2));

the “accounts” of a scheme funder means—

(a) in a case where regulations under section 10(6) apply to the scheme funder, its accounts prepared in accordance with those regulations;

(b) in any other case, its accounts prepared in accordance with the requirements of the Companies Act 2006;

“accrued rights” has the meaning given by section 96D of the Pension Schemes Act;

“administration charge” has the meaning given by paragraph 1 of Schedule 18 to the Pensions Act (Northern Ireland) 2015;

“authorisation” means authorisation under section 5;

“authorisation criteria” has the meaning given in section 5(3);

“continuity option 1” and “continuity option 2” have the meanings given in section 23;

“employer” has the meaning given in section 1;

“implementation strategy” has the meaning given in section 27;

“insolvency event” has the meaning given by Article 105 of the 2005 Order;

“Master Trust scheme” has the meaning given in section 1;

“Master Trust scheme contract” means a contract between the trustees of the scheme and a person providing services in relation to the scheme;

“member” has the meaning given by Article 121 of the 1995 Order (read with regulations made under Article 122(4) of that Order);

“occupational pension scheme” has the meaning given in section 1;

“operate” in relation to a Master Trust scheme, has the meaning given in section 3;

“pause order” means an order under section 31;

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

“pension scheme” has the meaning given by section 1(5) of the Pension Schemes Act;

“the Regulator” means the Pensions Regulator;

“scheme funder”, in relation to a Master Trust scheme, means a person who—

- (a) is liable to provide funds to or in respect of the scheme in circumstances where administration charges received from or in respect of members are not sufficient to cover the costs of establishing or running the scheme, or
- (b) is entitled to receive the profits of the scheme in circumstances where those charges exceed those costs;

“scheme rules” has the meaning given by Article 2(3) and (4) of the 2005 Order;

“scheme strategist”, in relation to a Master Trust scheme, means a person who is responsible for making business decisions relating to the commercial activities of the scheme;

“triggering event” has the meaning given in section 21;

“triggering event period” has the meaning given in section 21(4);

“trustee”, in relation to a Master Trust scheme which is not a scheme established under a trust, means a manager of the scheme.

(2) In relation to a Master Trust scheme which provides money purchase benefits in conjunction with other benefits, references in this Part to the scheme’s accounts are to be read as references to the accounts of the scheme as a whole.

(3) The reference in section 10(3) to activities that relate directly to Master Trust schemes is, in its application to a Master Trust scheme which provides money purchase benefits in conjunction with other benefits, to be read as a reference to activities that relate directly to the scheme as a whole.

(4) This Part applies to a Master Trust scheme—

- (a) which provides money purchase benefits in conjunction with other benefits, and
- (b) for which there is no power to wind up the scheme to the extent only that it provides money purchase benefits,

as if references to winding up the scheme, or to the scheme being wound up, were to ceasing to operate the scheme, or the scheme ceasing to operate, to the extent that it provides money purchase benefits.

(5) The Department may make regulations providing—

- (a) that other descriptions of person may be treated as scheme funders for the purposes of this Part;
- (b) that a person who would otherwise be a scheme funder may be treated as not being one, either generally or in circumstances specified in the regulations.

(6) Regulations under this section are subject to the confirmatory procedure.

Regulations modifying application of Part 1

40.—(1) The Department may make regulations—

- (a) applying some or all of the provisions of this Part to pension schemes (other than Master Trust schemes) that have the characteristics set out in the regulations, or
- (b) disapplying some or all of those provisions from Master Trust schemes that have the characteristics set out in the regulations.

(2) The Department may make regulations which provide for two or more pension schemes to be treated as a single Master Trust scheme for the purposes of this Part, in the circumstances set out in the regulations.

(3) Those circumstances may include—

- (a) the schemes being under common control;
- (b) the schemes being subject to common rules;
- (c) the schemes being provided by the same service provider.

(4) Regulations under this section are subject to the confirmatory procedure.