SCHEDULES

SCHEDULE 2

Master Trusts operating before commencement: Transitional provision

Modifications having effect from the date on which this Act is passed

2. Section 20 (triggering event: duties of trustees) has effect as if—

(a) the existing text were numbered subsection (1);

(b) before that subsection there were inserted—

"(A1) If a triggering event occurs in relation to an existing Master Trust scheme on or after 20 October 2016 but before the commencement date, the trustees must comply with the notification requirements applicable to them (see sections 22 and 25).";

(c) in subsection (1), for "a Master Trust scheme" there were substituted "an existing Master Trust scheme on or after the commencement date".

3. Section 21 (triggering events) has effect as if, in subsection (5)(b) after "resolved" there were inserted ", or in a case where the Regulator is satisfied that the triggering event was resolved before the date on which this Act is passed, the date specified in that notification".

4. Section 22 (notification requirements) has effect as if for subsection (7) there were substituted—

"(7) A notification under this section must be given—

(a) in a case where the triggering event occurs on or after 20 October 2016 but before the date on which this Act is passed, before the end of the period of seven days beginning with the date on which this Act is passed;

(b) in a case where the triggering event occurs on or after the date on which this Act is passed but before the commencement date, before the end of the period of seven days beginning with the date on which the triggering event occurred;

(c) in a case where the triggering event occurs on or after the commencement date, before the end of the period specified in regulations made by the Department.".

5. Section 25 (continuity option 2: resolving triggering event) has effect as if—

(a) for subsections (1) and (2) there were substituted—

"(1) Where—

(a) a triggering event occurs in relation to an existing Master Trust scheme on or after 20 October 2016 but before the commencement date, and

(b) the trustees consider that the triggering event has been resolved,

the trustees must notify the Regulator that they consider that the triggering event has been resolved.

(2) Where—

(a) a triggering event occurs in relation to an existing Master Trust scheme on or after the commencement date, and

(b) the trustees decide to pursue continuity option 2

the trustees must attempt to resolve the triggering event and must notify the Regulator when they consider that the triggering event has been resolved.";

(b) in subsection (3), for "The notification" there were substituted "A notification under subsection (1) or (2)";

(c) for subsection (4) there were substituted—

"(4) The notification must be given—

(a) in a case where the trustees consider that the triggering event was resolved before the date on which this Act is passed, before the end of the period of 14 days beginning with that date (but the trustees may notify the Regulator before that date);

(b) in a case where the trustees consider that the triggering event was resolved on or after the date on which this Act is passed but before the commencement date, before the end of the period of 14 days beginning with the date on which the triggering event was, in the opinion of the trustees, resolved;

(c) in a case where the triggering event occurred before the commencement date and the trustees consider that it was resolved on or after that date, before the end of the period of 14 days beginning with the date on which the triggering event was, in the opinion of the trustees, resolved;

(d) in a case where the triggering event occurred on or after the commencement date, before the end of the period specified in regulations made by the Department.";

(d) in subsection (5), at the end there were added "and, in a case where the Regulator is satisfied that the triggering event was resolved before the date on which this Act is passed, must specify in the notification the date on which the Regulator considers that the triggering event was resolved".

6. Section 33 (prohibition on increasing charges etc during triggering event period) has effect as if—

(a) at the beginning there were inserted—

"(A1) Subsections (B1) and (C1) apply where a triggering event occurs in relation to an existing Master Trust scheme on or after 20 October 2016 but before the commencement date.

(B1) The trustees must, before the end of the period of seven days beginning with (whichever is the later of) the date on which—

(a) the triggering event occurred, or

(b) this Act is passed,

provide the Regulator with a statement under subsection (1F).

(C1) The trustees must not, during the triggering event period—

(a) impose any administration charges on or in respect of members at levels above those set out in the statement under subsection (1F),

(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 the triggering event period.";

(b) in subsection (1), for "a Master Trust scheme" there were substituted "an existing Master Trust scheme, where the triggering event occurred on or after the commencement date";

(c) after that subsection, there were inserted—

"(1A) Subsections (1B) to (1E) have effect where—

(a) a triggering event occurs in relation to an existing Master Trust scheme on or after 20 October 2016 but before the commencement date, and

(b) the accrued rights of members of that scheme (the "transferring scheme") have been transferred to one or more other Master Trust schemes under section 69(2)(a) of the Pension Schemes Act (a "receiving scheme").

(1B) The trustees of a receiving scheme must provide the Regulator with a statement under subsection (1F) and a statement under subsection (1G).

(1C) In a case where the accrued rights are transferred before the date on which this Act is passed, the statements must be provided to the Regulator before the end of the period of seven days beginning with the date on which this Act is passed.

(1D) In a case where the accrued rights are transferred on or after the date on which this Act is passed but before the commencement date, the statements must be provided to the Regulator before the end of the period of seven days beginning with the date on which the rights are transferred.

(1E) The trustees of a receiving scheme must not—

(a) impose any administration charges on or in respect of members at levels above those set out in the statement under subsection (1F), 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).

(1F) A statement under this subsection must state the annual levels of administration charges that applied in relation to members of the scheme on 20 October 2016, for each arrangement or fund within the scheme.

(1G) A statement under this subsection is a statement explaining how the receiving scheme has complied with subsection (1E), and must include—

(a) an explanation of whether the receiving scheme is liable for the costs mentioned in subsection (3)(a) or (b), and

(b) in a case where the receiving scheme is so liable, how it is to meet those costs.";

(d) in subsection (2), at the beginning there were inserted "Where a triggering event occurs in relation to an existing Master Trust scheme on or after the commencement date,";

(e) in subsection (4)(b), after "subsection" there were inserted "(1E) or";

(f) in subsection (7), for "subsection (1)" there were substituted "subsection (B1), (C1), (1), (1B), (1E)";

(g) in subsection (8), before the definition of "receiving scheme" there were inserted—

""arrangement" means an allocation of contributions towards an investment or investments according to a strategy adopted by the trustees;";

(h) in that subsection—

(i) in the definition of "receiving scheme", before "means" there were inserted ", other than in subsections (1A), (1B) and (1E), and subsection (3) as it applies to subsection (1E),";

(ii) in the definition of "transferring scheme", before "means" there were inserted ", other than in subsection (1A), and subsection (3) as it applies to subsection (1E),".

7. Part 1 applies to an existing Master Trust scheme as if after section 33 there were inserted—

"**33A Existing unauthorised schemes: liability for costs of winding up**

(1) This section applies where—

(a) a triggering event occurs on or after 20 October 2016 in relation to an existing Master Trust scheme that has not been authorised when the event occurs, and

(b) a decision is taken that the scheme should be wound up, or the trustees are required to secure that the scheme is wound up.

(2) A scheme funder of the Master Trust scheme is liable for the costs incurred by the scheme during the triggering event period, to the extent that liability for those costs does not lie elsewhere (taking into account, in particular, the prohibitions in section 33).".