

SCHEDULE 2

FINANCIAL SUSTAINABILITY REQUIREMENT

PART 2

Requirements to be met by Master Trust schemes and scheme funders

- 6.—(1) This paragraph applies in respect of a Master Trust scheme—
- (a) that was established before the commencement date;
 - (b) that provides both money purchase benefits and non-money purchase benefits;
 - (c) that has financial resources that are insufficient to meet the costs mentioned in section 8(3) of the Act, as estimated in the business plan, and
 - (d) where employers are required to meet those costs.
- (2) Where this paragraph applies, the amount by which the scheme’s financial resources are less than the costs mentioned in section 8(3) of the Act, as estimated in the business plan (“the shortfall”) must be guaranteed from the following sources—
- (a) as to no less than 25% of the shortfall, in the form of assets that are available to be used when the relevant cost falls due;
 - (b) as to a proportion of the shortfall determined by the Regulator, in the form of a binding guarantee from the participating employers, and
 - (c) as to a proportion of the shortfall determined by the Regulator, in the form of assets that are available for use within a period agreed by the Regulator.