

SCHEDULE 5

CONTINUITY OPTION 1: TRANSFER OUT AND WINDING UP

Trustees' first notice to employers and members

4.—(1) When the trustees have identified the trustee default scheme, they must send a notice to each participating employer, each member and the trustees of the trustee default scheme.

(2) A notice under this paragraph must be sent within the period of 14 days beginning with—

- (a) the date on which the trustees identify the trustee default scheme, or
- (b) if later, the date on which the Regulator notifies the trustees that the implementation strategy has been approved.

(3) A notice sent to a member under this paragraph must include information about—

- (a) where the member can obtain guidance about the proposed transfer;
- (b) the member's right to choose whether his or her accrued rights and benefits in the transferring scheme are transferred to—
 - (i) a scheme selected by the trustees or, where applicable, the member's employer, or
 - (ii) an alternative scheme selected by the member;
- (c) the member's right to require the cash equivalent of his or her accrued rights and benefits to be used to buy one or more policies as set out in paragraph 7(1)(b), and
- (d) the timetable for future communication with the member.

(4) A notice sent to an employer under this paragraph must include information about—

- (a) the trustee default scheme, including its name;
- (b) the expected date on which the transferring scheme will stop accepting contributions;
- (c) the employer's options for complying with its automatic enrolment duties when the transferring scheme has stopped accepting contributions;
- (d) where the employer can obtain guidance about the proposed transfer;
- (e) the employer's option to nominate an employer default scheme in respect of its workers who are active members of the transferring scheme;
- (f) the fact that if the employer does not nominate an employer default scheme, active members will be transferred to the trustee default scheme, and
- (g) the timetable for future communication with the employer.

(5) A notice sent to the trustees of the trustee default scheme under this paragraph must state that the trustee default scheme has been selected under section 24(1)(a) of the Act (continuity option 1: transfer out and winding up).