

## SCHEDULE 5

### CONTINUITY OPTION 1: TRANSFER OUT AND WINDING UP

#### *Trustees' power to transfer otherwise than to a scheme*

12.—(1) Where the trustees cannot identify a scheme which they consider appropriate for use as a default scheme in respect of a member of the transferring scheme, the trustees may make arrangements to transfer that member's accrued rights and benefits to a vehicle which will secure suitable benefits for the member that are comparable to those in the transferring scheme.

(2) Before making arrangements under sub-paragraph (1), the trustees must notify the members to whom the arrangements relate of their intention to do so.

(3) The arrangements permitted by sub-paragraph (1) are the purchase of one or more policies from one or more insurers authorised by the Financial Conduct Authority for carrying on long-term insurance business in the United Kingdom.

(4) A transfer under sub-paragraph (1) is prescribed for the purposes of section 69(4)(b) of the Pension Schemes Act (form of short service benefit and its alternatives).