Pensions Act 2004

2004 CHAPTER 35

PART 5

OCCUPATIONAL AND PERSONAL PENSION SCHEMES: MISCELLANEOUS PROVISIONS

Obligations of trustees of occupational pension schemes

[F1 249A. Requirement for [F2 an effective system of governance]

[F3 (1) The trustees or managers of an occupational pension scheme must establish and operate an effective system of governance including internal controls.

(1A) The system of governance must be proportionate to the size, nature, scale and complexity of the activities of the occupational pension scheme.]

(2) Nothing in this section affects any other obligation of the trustees or managers of an occupational pension scheme to establish or operate [F4 an effective system of governance including internal controls], whether imposed by or by virtue of any enactment, the scheme rules or otherwise.

(3) This section does not apply in relation to—

[F5 (za) a public service pension scheme;]

(a) [F6 any other scheme] which—

(i) is established by or under an enactment (including a local Act), and

(ii) is guaranteed by a public authority;

(b) a pay-as-you-go scheme;

(c) a scheme which is made under [F7 paragraph 8, 12 or 16 of Schedule 6 to the Constitutional Reform and Governance Act 2010] (power to provide for pensions for Members of the House of Commons etc.);

[F8 (d) the Scottish Parliamentary Pension Scheme as defined in section 4 of the Scottish Parliamentary Pensions Act 2009 (asp 1)];

Changes to legislation: *Pensions Act 2004, Section 249A is up to date with all changes known to be in force on or before 14 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[F9(e) an authorised Master Trust scheme within the meaning of Part 1 of the Pension Schemes Act 2017**]**;

[F10(f) an authorised collective money purchase scheme within the meaning of Part 1 of the Pension Schemes Act 2021.**]**

F11(4) . . . . . .

(5) In this section—

"enactment" includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament;

"internal controls" means—

(a) arrangements and procedures to be followed in the administration and management of the scheme,

(b) systems and arrangements for monitoring that administration and management, and

(c) arrangements and procedures to be followed for the safe custody and security of the assets of the scheme;

"local authority" means—

(a) in relation to England, a county council, a district council, a London borough council, the Greater London Authority, the Common Council of the City of London in its capacity as a local authority or the Council of the Isles of Scilly,

(b) in relation to Wales, a county council or county borough council,

(c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 (c. 39) (constitution of councils),

(d) an administering authority as defined in Schedule 1 to the Local Government Pension Scheme Regulations 1997 (S.I.1997/1612) (interpretation);

"pay-as-you-go scheme" means an occupational pension scheme under which there is no requirement for assets to be set aside in advance for the purpose of providing benefits under the scheme (disregarding any requirements relating to additional voluntary contributions);

"public authority" means—

(a) a Minister of the Crown (within the meaning of the Ministers of the Crown Act 1975 (c. 26)),

(b) a government department (including any body or authority exercising statutory functions on behalf of the Crown),

(c) the Scottish Ministers,

(d) the National Assembly for Wales, or

(e) a local authority.**]**

Textual Amendments

F1 S. 249A inserted (30.12.2005) by The Occupational Pension Schemes (Internal Controls) Regulations 2005 (S.I. 2005/3379), regs. 1(1), **2**

F2 Words in s. 249A heading substituted (13.1.2019) by The Occupational Pension Schemes (Governance) (Amendment) Regulations 2018 (S.I. 2018/1103), regs. 1(2), **2(2)**

F3 S. 249A(1)(1A) substituted for s. 249A(1) (13.1.2019) by The Occupational Pension Schemes (Governance) (Amendment) Regulations 2018 (S.I. 2018/1103), regs. 1(2), **2(3)**

F4 Words in s. 249A(2) substituted (13.1.2019) by The Occupational Pension Schemes (Governance) (Amendment) Regulations 2018 (S.I. 2018/1103), regs. 1(2), **2(4)**

F5 S. 249A(3)(za) inserted (1.4.2015) by Public Service Pensions Act 2013 (c. 25), s. 41(2), **Sch. 4 para. 20(a)** (with Sch. 11 para. 8); S.I. 2015/4, art. 4(1)(b)

F6 Words in s. 249A(a) substituted (1.4.2015) by Public Service Pensions Act 2013 (c. 25), s. 41(2), **Sch. 4 para. 20(b)** (with Sch. 11 para. 8); S.I. 2015/4, art. 4(1)(b)

F7 Words in s. 249A(3)(c) substituted (24.10.2011) by Constitutional Reform and Governance Act 2010 (c. 25), s. 52, **Sch. 6 para. 46**; S.I. 2011/2485, art. 2(1)(2)(c)(ii)

F8 S. 249A(3)(d) inserted (1.9.2009) by The Scottish Parliamentary Pensions Act 2009 (Consequential Modifications) Order 2009 (S.I. 2009/1682), art. 1(1), **Sch. para. 2**

F9 S. 249A(3)(e) inserted (13.1.2019) by The Occupational Pension Schemes (Governance) (Amendment) Regulations 2018 (S.I. 2018/1103), regs. 1(2), **2(5)**

F10 S. 249A(3)(f) inserted (11.2.2021 for specified purposes, 1.8.2022 in so far as not already in force) by Pension Schemes Act 2021 (c. 1), s. 131(1)(3)(a), **Sch. 3 para. 17**; S.I. 2022/721, regs. 1(2), 3(a)

F11 S. 249A(4) omitted (31.12.2020) by virtue of The Occupational and Personal Pension Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/192), regs. 1, **5(6)**; 2020 c. 1, Sch. 5 para. 1(1)

Changes to legislation:
Pensions Act 2004, Section 249A is up to date with all changes known to be in force on or before 14 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.
View outstanding changes

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:
Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 18(5A) inserted by 2014 c. 19 s. 52(2)
- s. 18(6) words inserted by 2014 c. 19 s. 52(3)
- s. 18(8) words inserted by 2014 c. 19 s. 52(3)
- s. 23(1A) inserted by 2015 c. 8 Sch. 2 para. 26(3)
- s. 23(10A) inserted by 2015 c. 8 Sch. 2 para. 26(5)
- s. 38(1)-(1B) substituted for s. 38(1) by 2015 c. 8 Sch. 2 para. 27
- s. 38(7)(da) inserted by 2021 c. 1 s. 104(2)
- s. 43(1)-(1B) substituted for s. 43(1) by 2015 c. 8 Sch. 2 para. 28(2)
- s. 52(1)-(1B) substituted for s. 52(1) by 2015 c. 8 Sch. 2 para. 29
- s. 80(1)(a)(iib) inserted by 2021 c. 1 s. 109(3)
- s. 102(2)(a) words in s. 102(2) renumbered as s. 102(2)(a) by 2008 c. 30 s. 44(5)(a)
- s. 102(2)(b) inserted by 2008 c. 30 s. 44(5)(b)
- s. 103(1A) inserted by 2008 c. 30 s. 44(6)
- s. 117A inserted by 2008 c. 30 Sch. 10 para. 3
- s. 126(1)-(1B) substituted for s. 126(1) by 2015 c. 8 Sch. 2 para. 31
- s. 188(1)(ba) inserted by 2008 c. 30 Sch. 10 para. 6
- s. 189A inserted by 2008 c. 30 Sch. 10 para. 7
- s. 209(9) added by 2008 c. 30 Sch. 10 para. 8
- s. 291(4)(f) and word inserted by 2021 c. 1 Sch. 3 para. 19(b)
- s. 318(3)(a)(viii)-(x) inserted by 2015 c. 8 Sch. 2 para. 38(3)(a)
- s. 318(3)(b)(vi)-(viii) inserted by 2015 c. 8 Sch. 2 para. 38(3)(b)
- Sch. 4 para. 7(5)(b) inserted by 2008 c. 30 s. 44(8)(b)
- Sch. 4 para. 13(3) inserted by 2008 c. 30 s. 44(9)(b)
- Sch. 4 para. 7(5)(a) words in Sch. 4 para. 7(5) renumbered as Sch. 4 para. 7(5)(a) by 2008 c. 30 s. 44(8)(a)
- Sch. 7 para. 21(2)(c)-(cc) substituted for Sch. 7 para. 21(2)(b)(c) by 2008 c. 30 Sch. 8 para. 11 (This amendment not applied to legislation.gov.uk. Sch. 8 para. 10 (3.1.2012) omitted without ever being in force by virtue of 2011 c. 19, Sch. 4 para. 20; S.I. 2011/3034 art. 3(i)(iv))