



Pension Schemes Act 2017

2017 CHAPTER 17

PART 1

MASTER TRUSTS

Authorisation: applications etc

3 Prohibition on operating a scheme unless authorised

- (1) A person may not operate a Master Trust scheme unless the scheme is authorised.
- (2) Section 10 of the Pensions Act 1995 (civil penalties) applies to a person who breaches subsection (1).
- (3) If the Pensions Regulator becomes aware that a Master Trust scheme is operating without authorisation, it must notify the trustees of the scheme that the scheme is not authorised.
- (4) The notification must include an explanation that it is a triggering event for the purposes of sections 20 to 33 and of the trustees' duties under those sections.
- (5) For the purposes of this Part, a person "operates" a Master Trust scheme if the person—
 - (a) accepts money from members or employers (or prospective members or employers), in respect of fees, charges, contributions or otherwise, in relation to the scheme, or
 - (b) enters into an agreement with an employer that relates to the provision of pension savings for employees or other workers,and references to a scheme that is "operating" or "in operation" are to be construed accordingly.

4 Application for authorisation

- (1) The trustees of a Master Trust scheme may apply to the Pensions Regulator for authorisation.

- (2) The application must include the following—
 - (a) the scheme’s latest accounts;
 - (b) the latest accounts of each scheme funder;
 - (c) the scheme’s business plan (see section 9);
 - (d) the scheme’s continuity strategy (see section 12).
- (3) In considering an application, the Pensions Regulator may take into account any matters it considers appropriate, including—
 - (a) additional information provided by the applicant, and
 - (b) subsequent changes to the application or to any information provided by the applicant.
- (4) The application must be made in the manner and form specified by the Pensions Regulator.
- (5) The Secretary of State may make regulations setting out—
 - (a) other information to be included in an application, and
 - (b) the application fee payable to the Pensions Regulator.
- (6) Regulations under this section are subject to negative resolution procedure.

5 Decision on application

- (1) Where an application is made for authorisation of a Master Trust scheme under section 4, the Pensions Regulator must decide whether it is satisfied that the scheme meets the authorisation criteria.
- (2) The Pensions Regulator must make that decision within the period of six months beginning with the day on which it received the application.
- (3) The authorisation criteria are—
 - (a) that the persons involved in the scheme are fit and proper persons (see section 7),
 - (b) that the scheme is financially sustainable (see section 8),
 - (c) that each scheme funder meets the requirements set out in section 10,
 - (d) that the systems and processes used in running the scheme are sufficient to ensure that it is run effectively (see section 11), and
 - (e) that the scheme has an adequate continuity strategy (see section 12).
- (4) If the Pensions Regulator is satisfied that the Master Trust scheme meets the authorisation criteria, it must—
 - (a) grant the authorisation,
 - (b) notify the applicant of its decision, and
 - (c) add the scheme to its list of authorised Master Trust schemes (see section 13).
- (5) If the Pensions Regulator is not satisfied that the Master Trust scheme meets the authorisation criteria, it must—
 - (a) refuse to grant the authorisation, and
 - (b) notify the applicant of its decision.
- (6) A notification under subsection (5) must also include—
 - (a) the reasons for the decision, and

- (b) details of the right of referral to the First-tier Tribunal or Upper Tribunal (see section 6).

6 Referral to Tribunal of refusal to grant authorisation

- (1) If the Pensions Regulator refuses to grant authorisation to a Master Trust scheme, the decision may be referred to the Tribunal by—
 - (a) the trustees, or
 - (b) any other person who appears to the Tribunal to be directly affected by the decision.
- (2) In this section “the Tribunal”, in relation to a referral under subsection (1), means—
 - (a) the First-tier Tribunal, in any case where it is determined by or under Tribunal Procedure Rules that the First-tier Tribunal is to hear the reference;
 - (b) the Upper Tribunal, in any other case.