



# Pension Schemes Act 2021

## 2021 CHAPTER 1

### PART 1

#### COLLECTIVE MONEY PURCHASE BENEFITS

##### *Triggering events and continuity options*

### 31 Triggering events

- (1) A triggering event occurs in relation to a collective money purchase scheme if an event within the second column of the triggering events table occurs in relation to it, subject to subsection (2).
- (2) An event within any of items 4 to 9 of the triggering events table is not a triggering event in relation to a collective money purchase scheme if it occurs within an existing triggering event period for the scheme (see section 32).
- (3) A triggering event occurs on the date specified in relation to the event in the third column of the triggering events table.
- (4) For the purposes of this Part “the triggering events table” is—

---

<i>Item</i>	<i>Triggering event</i>	<i>Date event occurs</i>
1.	The Pensions Regulator issues a warning notice under the standard procedure in respect of a decision to withdraw the scheme's authorisation.	The date on which the notice is issued.
2.	The Pensions Regulator issues a determination notice under the special procedure in respect of a decision to withdraw the scheme's authorisation.	The date on which the notice is issued.

---

*Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)*

---

- |    |  |  |
|----|--|--|
| 3. | The Pensions Regulator gives a notification under section 7(3) (scheme not authorised).  | The date on which the notification is given.   |
| 4. | An insolvency event occurs in relation to an employer or a relevant former employer.   | The date on which the insolvency event occurs.   |
| 5. | An employer or a relevant former employer becomes unlikely to continue as a going concern, where the employer or relevant former employer is a person or body of a kind that meets the requirements prescribed under section 129(1)(b) of the Pensions Act 2004. | The earlier of—<br>(a) the date on which the employer or relevant former employer notifies the Pensions Regulator of that fact, and<br>(b) the date on which the trustees become aware of that fact. |
| 6. | A person who has power to do so under the provisions of the scheme decides that the scheme should be wound up.   | The date of the decision.  |
| 7. | An event occurs that is required or permitted by the provisions of the scheme to result in the winding up of the scheme.   | The date on which the event occurs.  |
| 8. | A person who has power to do so under the provisions of the scheme decides that the scheme should become a closed scheme.  | The date of the decision.  |
| 9. | An event occurs that is required or permitted by the provisions of the scheme to result in the scheme becoming a closed scheme.  | The date on which the event occurs.  |

(5) In this Part—

“item 1 triggering event” means an event falling within item 1 of the triggering events table (and similar references using other item numbers are to be read accordingly);

“relevant former employer”, in relation to a collective money purchase scheme, means a person who has ceased to be an employer in relation to the scheme but who—

- (a) is subject to an actual or contingent obligation to contribute financially to the scheme, whether by making contributions towards the costs of running the scheme or otherwise, or
- (b) has power to take a decision about the operation of the scheme, either alone or with other persons who are or have been employers in relation to the scheme.

(6) In this section “closed”, in relation to a collective money purchase scheme, means closed to new contributions or new members (or both).

**Commencement Information**

**I1** S. 31 in force at Royal Assent for specified purposes, see s. 131(3)(a)

**I2** S. 31 in force at 1.8.2022 in so far as not already in force by S.I. 2022/721, reg. 3(a)

---

*Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)*

---

## 32 Triggering event periods

- (1) For the purposes of this Part, a “triggering event period” for a collective money purchase scheme is a period—
- (a) starting with the date on which a triggering event occurs in relation to the scheme, and
  - (b) ending with the earliest of the dates given by subsection (2).
- (2) The dates are—
- (a) the date on which the trustees receive from the Pensions Regulator—
    - (i) notification under section 37(4) that the Regulator is satisfied that the triggering event has been resolved, or
    - (ii) notification under section 38(4) that the Regulator is satisfied that preparations for conversion to a closed scheme are complete and that the conversion will resolve the relevant events;
  - (b) the date on which the scheme is wound up;
  - (c) in the case of an item 1 or 2 triggering event (notice in respect of a decision to withdraw authorisation), the date on which it becomes clear that authorisation is not to be withdrawn.
- (3) For the purposes of subsection (2)(c), it becomes clear that authorisation is not to be withdrawn—
- (a) in the circumstances set out in relation to the event in the second column of the table in subsection (4), and
  - (b) on the date given in relation to those circumstances in the third column of that table.
- (4) The table is—

<i>Triggering event</i>	<i>Circumstances</i>	<i>Date</i>
Item 1 (issue of warning notice under the standard procedure)	(1) The Pensions Regulator makes a determination not to withdraw the scheme's authorisation, and	The date of the Pensions Regulator's determination.
	(2) there is no referral of the determination to the Tribunal within the time period allowed for doing so.	
Item 2 (issue of determination notice under the special procedure)	(1) On a review under section 99 of the Pensions Act 2004, the Pensions Regulator makes a determination that the scheme's authorisation should not be withdrawn, and	The date of the Pensions Regulator's determination.
	(2) there is no referral of the determination to the Tribunal within the time period allowed for doing so.	
Item 1 or 2	(1) On a referral to the Tribunal of a determination by the Pensions Regulator,	The date of the Tribunal's determination.

---

**Changes to legislation:** *There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)*

---

the Tribunal makes a determination the effect of which is that the scheme's authorisation should not be withdrawn, and

(2) either—

(a) no appeal is brought against the Tribunal's determination within the time period allowed for doing so, or

(b) an appeal is brought within that time period but is later withdrawn.

Item 1 or 2

The effect of an appeal against a determination by the Tribunal is that the scheme's authorisation should not be withdrawn. The date on which the appeal is finally disposed of.

(5) In this section “the Tribunal” has the meaning given in—

- (a) section 96(7) of the Pensions Act 2004, in a case where the standard procedure applies;
- (b) section 99(13) of that Act, in a case where the special procedure applies.

---

**Commencement Information**

**I3** S. 32 in force at Royal Assent for specified purposes, see s. 131(3)(a)

**I4** S. 32 in force at 1.8.2022 in so far as not already in force by S.I. 2022/721, reg. 3(a)

### 33 Notification of triggering events

(1) If a triggering event listed in the first column of the table in subsection (2) occurs in relation to a collective money purchase scheme, each person specified in relation to the event in the second column of that table must (subject to subsections (12) and (13)) notify the Pensions Regulator of the occurrence of the event.

(2) The table is—

<i>Event</i>	<i>Specified person</i>
Item 4 triggering event (an insolvency event occurs in relation to an employer or a relevant former employer)	The employer or relevant former employer. A trustee who is aware of the event.
Item 5 triggering event (an employer or a relevant former employer becomes unlikely to continue as a going concern, where the employer or relevant former employer is a person or body of a	The employer or relevant former employer. A trustee who is aware of the event.

---

**Changes to legislation:** There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)

---

kind that meets the requirements prescribed under section 129(1)(b) of the Pensions Act 2004)

Item 6 triggering event (a person decides that the scheme should be wound up) The person who made the decision.

A trustee who is aware of the event (if not the person who made the decision).

An employer who is aware of the event (if not the person who made the decision).

Item 7 triggering event (an event occurs that is required or permitted by the provisions of the scheme to result in the winding up of the scheme) A trustee who is aware of the event.

An employer who is aware of the event.

Item 8 triggering event (a person decides that the scheme should become a closed scheme) The person who made the decision.

A trustee who is aware of the event (if not the person who made the decision).

An employer who is aware of the event (if not the person who made the decision).

Item 9 triggering event (an event occurs that is required or permitted by the provisions of the scheme to result in the scheme becoming a closed scheme) A trustee who is aware of the event.

An employer who is aware of the event.

- 
- (3) If a triggering event occurs in relation to a collective money purchase scheme, a trustee who is aware of the event must (subject to subsections (5), (6), (12) and (13)) give the required notification to each employer or relevant former employer.
- (4) In this section “the required notification”, in relation to a triggering event, means notification of—
- (a) the occurrence of the event, and
  - (b) such other matters relating to the event as may be specified in regulations made by the Secretary of State.
- (5) In the case of an item 4 or 5 triggering event, subsection (4)(a) does not apply as regards notification of the employer or relevant former employer in respect of whom the event occurs.
- (6) In the case of an item 6 or 8 triggering event, subsection (4)(a) does not apply as regards notification of the person who decided that the scheme—
- (a) should be wound up, or
  - (b) (as the case may be) should become a closed scheme.
- (7) If an item 4 or 5 triggering event occurs in relation to a collective money purchase scheme, each employer or relevant former employer in respect of whom the event

---

*Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)*

---

- occurs must (subject to subsections (12) and (13)) give the required notification to the trustees.
- (8) If an item 6 or 8 triggering event occurs in relation to a collective money purchase scheme, the person who decided that the scheme—
- (a) should be wound up, or
  - (b) (as the case may be) should become a closed scheme,
- must (if that person is not the trustees, and subject to subsections (12) and (13)) give the required notification to the trustees.
- (9) If an item 7 or 9 triggering event occurs in relation to a collective money purchase scheme, each employer or relevant former employer who is aware of the event must (subject to subsections (12) and (13)) give the required notification to the trustees.
- (10) A notification under this section must be given before the end of the period specified in regulations made by the Secretary of State.
- (11) Except as provided by subsections (12) and (13), the disclosure of information under this section does not breach—
- (a) any obligation of confidence owed by the person making the disclosure, or
  - (b) any other restriction on the disclosure of information (however imposed).
- (12) This section does not require a disclosure of information if the disclosure would contravene the data protection legislation (but in determining whether a disclosure of information would do so, take into account the duty imposed by this section).
- (13) A person is not required by this section to disclose anything in respect of which a claim to legal professional privilege (or, in Scotland, to confidentiality of communications) could be maintained in legal proceedings.
- (14) Section 10 of the Pensions Act 1995 (civil penalties) applies to a person who fails to comply with a requirement imposed by this section.
- (15) Regulations under this section are subject to negative resolution procedure.

#### **Commencement Information**

- I5** [S. 33](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(a\)](#)
- I6** [S. 33](#) in force at 1.8.2022 in so far as not already in force by [S.I. 2022/721](#), [reg. 3\(a\)](#)

### **34 Continuity options**

- (1) If a triggering event occurs in relation to a collective money purchase scheme, the trustees must pursue one of the continuity options.
- (2) The continuity options are—
- (a) continuity option 1 (discharge of liabilities and winding up) (see section 36);
  - (b) continuity option 2 (resolving triggering event) (see section 37);
  - (c) continuity option 3 (conversion to closed scheme) (see section 38).
- (3) The trustees must pursue continuity option 1—
- (a) if the triggering event is an item 1 or 2 triggering event and the decision to withdraw authorisation has become final (see section 35), or

*Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)*

- (b) if the triggering event is an item 3 triggering event.
- (4) In those cases, the trustees must pursue continuity option 1 even if—
- (a) the item 1, 2 or 3 triggering event occurs within the triggering event period of an earlier triggering event, and
- (b) the trustees have already decided to pursue continuity option 2 or 3 in respect of the earlier triggering event.
- (5) The trustees may pursue continuity option 3 only if (or to the extent that) the provisions of the scheme allow them to do so.

Subject to that, this section overrides any provision of the collective money purchase scheme to the extent that there is a conflict.

- (6) Section 10 of the Pensions Act 1995 (civil penalties) applies to a person who fails to comply with a requirement imposed by this section.

#### Commencement Information

**I7** [S. 34](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(a\)](#)

**I8** [S. 34](#) in force at 1.8.2022 in so far as not already in force by [S.I. 2022/721](#), [reg. 3\(a\)](#)

### 35 When a decision to withdraw authorisation becomes final

- (1) For the purposes of this Part, in relation to an item 1 or 2 triggering event, a decision to withdraw authorisation becomes final—
- (a) in the circumstances set out in relation to the event in the second column of the table in subsection (2), and
- (b) on the date given in relation to those circumstances in the third column of that table.
- (2) The table is—

<i>Triggering event</i>	<i>Circumstances</i>	<i>Date</i>
Item 1 (issue of warning notice under the standard procedure)	(1) The Pensions Regulator makes a determination to withdraw the scheme's authorisation, and	The date of the Pensions Regulator's determination.
	(2) there is no referral of the determination to the Tribunal within the time period allowed for doing so.	
Item 2 (issue of determination notice under the special procedure)	(1) On a review under section 99 of the Pensions Act 2004, the Pensions Regulator makes a determination that the scheme's authorisation should be withdrawn, and	The date of the Pensions Regulator's determination.
	(2) there is no referral of the determination to the Tribunal within the time period allowed for doing so.	

---

*Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)*

---

Item 1 or 2	<p>(1) On a referral to the Tribunal of a determination by the Pensions Regulator, the Tribunal makes a determination the effect of which is that the scheme's authorisation should be withdrawn, and</p> <p>(2) either—</p> <p style="padding-left: 40px;">(a) no appeal is brought against the Tribunal's determination within the time period allowed for doing so, or</p> <p style="padding-left: 40px;">(b) an appeal is brought within that time period but is later withdrawn.</p>	<p>The date of the Tribunal's determination.</p>
Item 1 or 2	<p>The effect of an appeal against a determination by the Tribunal is that the scheme's authorisation should be withdrawn.</p>	<p>The date on which the appeal is finally disposed of.</p>

- (3) In this section “the Tribunal” has the meaning given in—
- (a) section 96(7) of the Pensions Act 2004, in a case where the standard procedure applies;
  - (b) section 99(13) of that Act, in a case where the special procedure applies.

**Commencement Information**

- I9** S. 35 in force at Royal Assent for specified purposes, see s. 131(3)(a)
- I10** S. 35 in force at 1.8.2022 in so far as not already in force by S.I. 2022/721, reg. 3(a)

**36 Continuity option 1: discharge of liabilities and winding up**

- (1) Where the trustees of a collective money purchase scheme are required, or decide, to pursue continuity option 1, they must—
- (a) quantify, in the case of each beneficiary, the amount that represents the value of the beneficiary's accrued rights to benefits under the scheme;
  - (b) formulate a proposal for discharging the scheme's liability to each beneficiary in respect of those rights, in one of the ways set out in subsection (2);
  - (c) notify each employer and relevant former employer, and each beneficiary, of the proposal and of such other matters as may be specified in regulations made by the Secretary of State.
- (2) The ways of discharging the scheme's liability referred to in subsection (1)(b) are—
- (a) transferring the value of the beneficiaries' accrued rights to benefits under the scheme to a collective money purchase scheme or to a Master Trust scheme;
  - (b) transferring the value of those rights, in such circumstances as may be specified in regulations made by the Secretary of State, to a pension scheme that has characteristics specified in the regulations;
  - (c) securing, in such circumstances as may be specified in regulations made by the Secretary of State, the payment of benefits by such other means (an “alternative payment mechanism”) as may be specified in the regulations.



---

**Changes to legislation:** There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)

---

- (3) A proposal under subsection (1)(b) may deal with the rights of different descriptions of beneficiaries in different ways.
- (4) Subsections (1)(b) and (2) have effect subject to—
  - (a) Part 4ZA of the Pension Schemes Act 1993 (transfers and contribution refunds);
  - (b) provision made by regulations under subsection (6).
- (5) Notification under subsection (1)(c) must be given—
  - (a) in the manner specified in regulations made by the Secretary of State, and
  - (b) before the end of the period specified in the regulations.
- (6) The Secretary of State may by regulations make provision for the purposes of enabling continuity option 1 to be given effect, which may include—
  - (a) provision about how continuity option 1 is to be pursued by the trustees of a collective money purchase scheme;
  - (b) provision conferring rights on beneficiaries or employers;
  - (c) provision imposing duties on employers or trustees;
  - (d) provision conferring power on the Pensions Regulator to direct trustees to do things permitted or required by the regulations;
  - (e) provision deeming a beneficiary the value of whose accrued rights are to be transferred to a scheme that is not a collective money purchase scheme or a Master Trust scheme to have entered into an agreement with a person of a description specified in the regulations.
- (7) Regulations under subsection (6) must include—
  - (a) provision about how the quantification referred to in subsection (1)(a) is to be carried out (which may be different in relation to different descriptions of beneficiaries);
  - (b) provision for securing that a person who has become a pensioner beneficiary (whether before or after the occurrence of the triggering event as a result of which the trustees are pursuing continuity option 1) receives a periodic income, at a rate or of an amount that is calculated by reference to the amount referred to in subsection (1)(a), until the time when the proposal under subsection (1)(b) is implemented or some other specified time;
  - (c) provision about how rights conferred by the regulations may be exercised (including the time periods within which they may be exercised);
  - (d) provision specifying requirements (which may include approval or authorisation by the Pensions Regulator in accordance with the regulations) to be met in the case of a pension scheme, or an alternative payment mechanism, by means of which it is proposed to discharge the collective money purchase scheme's liabilities to beneficiaries in one of the ways set out in subsection (2);
  - (e) provision requiring those responsible for a pension scheme by means of which it is proposed to discharge the collective money purchase scheme's liabilities to beneficiaries (“the receiving scheme”) to provide the Pensions Regulator with a document setting out the level of administration charges that applied in relation to members of the receiving scheme, in the manner and as at the date specified or described in the regulations;
  - (f) provision imposing duties on the trustees to notify all or a specified description of employers and beneficiaries of their rights under the regulations and of members' rights under Part 4ZA of the Pension Schemes Act 1993;

---

*Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)*

---

- (g) provision about the winding up of the collective money purchase scheme in circumstances where the scheme's liabilities to beneficiaries are discharged.
- (8) In this section—
- “beneficiary”, in relation to the collective money purchase scheme, means—
- (a) a member of the scheme, or
- (b) a person who has survived a member of the scheme and has an entitlement to benefits, or a right to future benefits, under the scheme rules in respect of the member;
- “pensioner beneficiary”, in relation to the collective money purchase scheme, means a person who is entitled to the present payment of pension or other benefits under the scheme;
- “specified” means specified in regulations under subsection (6).
- (9) Section 10 of the Pension Act 1995 (civil penalties) applies to a person who fails to comply with a requirement imposed by this section.
- (10) Regulations under this section may provide for the application of section 10 of the Pensions Act 1995 to a person who fails to comply with a requirement imposed by the regulations.
- (11) Regulations under subsection (2) or (6) are subject to affirmative resolution procedure.
- (12) Regulations under subsection (1)(c) or (5) are subject to negative resolution procedure.

#### **Commencement Information**

**I11** [S. 36](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(a\)](#)

**I12** [S. 36](#) in force at 1.8.2022 in so far as not already in force by [S.I. 2022/721](#), [reg. 3\(a\)](#)

### **37 Continuity option 2: resolving triggering event**

- (1) Where the trustees of a collective money purchase scheme decide to pursue continuity option 2, they must attempt to resolve the triggering event.
- (2) The trustees must notify the Pensions Regulator when they consider that the triggering event has been resolved.
- (3) The notification must—
- (a) set out how the trustees consider that the triggering event has been resolved;
- (b) be given before the end of the period specified in regulations made by the Secretary of State.
- (4) After receiving the notification, the Pensions Regulator must notify the trustees as to whether it is satisfied that the triggering event has been resolved.
- (5) The Pensions Regulator may not form the view that a triggering event (“the relevant event”) has been resolved unless it is satisfied that any other event within the triggering events table that has occurred in relation to the scheme since the occurrence of the relevant event has also been resolved.
- (6) Section 10 of the Pensions Act 1995 (civil penalties) applies to a trustee who fails to comply with a requirement imposed by this section.

---

**Changes to legislation:** There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)

---

(7) Regulations under subsection (3)(b) are subject to negative resolution procedure.

**Commencement Information**

**I13** S. 37 in force at Royal Assent for specified purposes, see s. 131(3)(a)

**I14** S. 37 in force at 1.8.2022 in so far as not already in force by S.I. 2022/721, reg. 3(a)

**38 Continuity option 3: conversion to closed scheme**

- (1) This section applies where the trustees of a collective money purchase scheme decide to pursue continuity option 3.
- (2) The trustees must notify the Pensions Regulator when they consider that preparations for the conversion of the scheme into a closed scheme are complete.
- (3) The Secretary of State may by regulations require notification under subsection (2) to be given before the end of a period specified in the regulations.
- (4) If the Pensions Regulator is satisfied—
  - (a) that preparations for the conversion of the scheme into a closed scheme are complete, and
  - (b) that the conversion will resolve the triggering event giving rise to the decision to pursue continuity option 3, and any other event within the triggering events table that has subsequently occurred in relation to the collective money purchase scheme,the Regulator must notify the trustees accordingly.
- (5) The conversion of the scheme into a closed scheme may be carried out only in accordance with the provisions of the scheme.
- (6) The scheme may not begin operating as a closed scheme until the trustees have received notification under subsection (4).
- (7) Where the trustees have pursued continuity option 3 they may not later reverse the closure of the scheme (either completely or to any extent).
- (8) Section 10 of the Pensions Act 1995 (civil penalties) applies to a trustee who fails to comply with a requirement or restriction imposed by this section.
- (9) Regulations under subsection (3) are subject to negative resolution procedure.
- (10) In this section “closed”, in relation to a collective money purchase scheme, means closed to new contributions or new members (or both).

The reference to closure of the scheme in subsection (7) is to be read accordingly.

**Commencement Information**

**I15** S. 38 in force at Royal Assent for specified purposes, see s. 131(3)(a)

**I16** S. 38 in force at 1.8.2022 in so far as not already in force by S.I. 2022/721, reg. 3(a)

---

*Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)*

---

### 39 Implementation strategy

- (1) If a triggering event occurs in relation to a collective money purchase scheme, the trustees must—
- (a) produce a document setting out how the interests of members of the scheme are to be protected following the occurrence of the event (an “implementation strategy”), and
  - (b) submit it to the Pensions Regulator for approval before the end of a period specified in regulations made by the Secretary of State.

This is subject to subsections (2)(a) and (3)(a).

- (2) If an item 1, 2 or 3 triggering event occurs within the triggering event period for an earlier triggering event—
- (a) the trustees are not required to submit an implementation strategy in respect of the earlier triggering event;
  - (b) any implementation strategy approved by the Pensions Regulator in respect of the earlier triggering event ceases to have effect when the later triggering event occurs.
- (3) In the case of an item 1 or 2 triggering event—
- (a) the trustees are required to submit an implementation strategy only if the decision to withdraw authorisation has become final (see section 35);
  - (b) if it becomes clear that authorisation is not to be withdrawn, subsection (2) ceases to have effect on the date on which that becomes clear.

Subsections (3) to (5) of section 32 apply for the purposes of paragraph (b) above as they apply for the purposes of subsection (2)(c) of that section.

- (4) The Pensions Regulator may direct the trustees to comply with a requirement imposed by this section.
- (5) Section 10 of the Pensions Act 1995 (civil penalties) applies to a person who fails to comply with a direction under subsection (4).
- (6) This section overrides any provision of the collective money purchase scheme, to the extent that there is a conflict.
- (7) Regulations under subsection (1)(b) are subject to negative resolution procedure.

#### Commencement Information

**I17** S. 39 in force at Royal Assent for specified purposes, see s. 131(3)(a)

**I18** S. 39 in force at 1.8.2022 in so far as not already in force by S.I. 2022/721, reg. 3(a)

### 40 Approval of implementation strategy

- (1) The Pensions Regulator may approve an implementation strategy only if it is satisfied that the strategy is adequate.
- (2) Subsections (3) to (6) apply for the purposes of enabling the Pensions Regulator to decide whether it is satisfied that an implementation strategy for a collective money purchase scheme is adequate.

---

**Changes to legislation:** There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)

---

- (3) An implementation strategy must include information about the levels of administration charges in relation to members of the scheme.
- (4) The information must—
  - (a) relate to the levels of administration charges as at the date specified or described in regulations made by the Secretary of State, and
  - (b) be set out in the manner specified or described in the regulations.
- (5) An implementation strategy must include information about the following matters—
  - (a) the continuity option that is to be pursued (see section 34);
  - (b) where continuity option 1 (discharge of liabilities and winding up) is to be pursued—
    - (i) the scheme or schemes to which it is proposed to transfer the value of accrued rights to benefits, or the alternative payment mechanism by which the payment of benefits is to be secured, if known;
    - (ii) when the transfer is expected to take place, or (as the case may be) when the payment of benefits is expected to be secured;
  - (c) where continuity option 2 (resolving the triggering event) is to be pursued, how it is proposed that the triggering event should be resolved;
  - (d) where continuity option 3 (conversion to closed scheme) is to be pursued—
    - (i) the way in which, the extent to which and the time by which it is proposed to close the scheme;
    - (ii) how the scheme will continue to meet the authorisation criteria;
    - (iii) any revisions that will be needed to the viability report and the continuity strategy (see sections 13 and 17).
- (6) An implementation strategy must—
  - (a) include any other information specified or described in regulations made by the Secretary of State, and
  - (b) be prepared in accordance with regulations made by the Secretary of State.
- (7) Regulations under this section are subject to negative resolution procedure.

---

**Commencement Information**

**I19** S. 40 in force at Royal Assent for specified purposes, see s. 131(3)(a)

**I20** S. 40 in force at 1.8.2022 in so far as not already in force by S.I. 2022/721, reg. 3(a)

## **41 Trustees' duties once implementation strategy approved**

- (1) When the Pensions Regulator has notified the trustees of a collective money purchase scheme that an implementation strategy relating to the scheme is approved, the trustees must—
  - (a) pursue the continuity option identified in the strategy, and
  - (b) take such other steps as are identified in the strategy in order to carry it out.
- (2) The Secretary of State may by regulations require the trustees of a collective money purchase scheme to make available an approved implementation strategy relating to the scheme, before the end of the period specified or described in the regulations,

---

*Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)*

---

to employers or relevant former employers that are of a description specified in the regulations.

- (3) If an item 1, 2 or 3 triggering event occurs within the triggering event period for an earlier triggering event—
- (a) the trustees cease to be subject to the requirements of subsection (1) and regulations under subsection (2) in respect of an approved implementation strategy relating to the earlier triggering event, but
  - (b) in the case of an item 1 or 2 triggering event, if it becomes clear that authorisation is not to be withdrawn, the trustees are again subject to those requirements from the date on which that becomes clear.

Subsections (3) to (5) of section 32 apply for the purposes of paragraph (b) above as they apply for the purposes of subsection (2)(c) of that section.

- (4) The Pensions Regulator may direct the trustees to comply with subsection (1), if they fail to do so.
- (5) Section 10 of the Pensions Act 1995 (civil penalties) applies to a person who fails to comply with a direction under subsection (4).
- (6) To the extent that there is a conflict, this section overrides a provision of—
- (a) a collective money purchase scheme, or
  - (b) a contract between the trustees of a collective money purchase scheme and a person providing services in relation to the scheme.
- (7) Regulations under subsection (2) are subject to negative resolution procedure.

#### Commencement Information

- I21** [S. 41](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(a\)](#)  
**I22** [S. 41](#) in force at 1.8.2022 in so far as not already in force by [S.I. 2022/721](#), [reg. 3\(a\)](#)

## 42 Prohibition on winding up except in accordance with continuity option 1

- (1) A person may wind up a collective money purchase scheme only in accordance with continuity option 1 (see section 36).
- (2) Subsection (1) overrides any provision of a collective money purchase scheme to the extent that there is a conflict.
- (3) Section 10 of the Pensions Act 1995 (civil penalties) applies to a person who fails to comply with subsection (1).

#### Commencement Information

- I23** [S. 42](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(a\)](#)  
**I24** [S. 42](#) in force at 1.8.2022 in so far as not already in force by [S.I. 2022/721](#), [reg. 3\(a\)](#)

## 43 Periodic reporting requirements

- (1) During a triggering event period for a collective money purchase scheme, the trustees must submit reports to the Pensions Regulator.

---

**Changes to legislation:** There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)

---

- (2) The first report must be submitted before the end of a period specified in regulations made by the Secretary of State.
- (3) Subsequent reports must be submitted at intervals specified by the Pensions Regulator.
- (4) The reports must—
  - (a) report on progress in carrying out the implementation strategy,
  - (b) record events or decisions of a description specified in regulations made by the Secretary of State,
  - (c) contain such other information as is specified in regulations made by the Secretary of State, and
  - (d) be made in the manner and form specified by the Pensions Regulator.
- (5) Section 10 of the Pensions Act 1995 (civil penalties) applies to a person who fails to comply with a requirement imposed by this section.
- (6) Regulations under this section are subject to negative resolution procedure.

#### Commencement Information

**I25** S. 43 in force at Royal Assent for specified purposes, see s. 131(3)(a)

**I26** S. 43 in force at 1.8.2022 in so far as not already in force by S.I. 2022/721, reg. 3(a)

## 44 Pause orders

- (1) This section applies during a triggering event period for a collective money purchase scheme.
- (2) The Pensions Regulator may make a pause order in relation to the scheme if either of the following two conditions is met.
- (3) Condition 1 is that the Pensions Regulator is satisfied that making a pause order will help the trustees to carry out the implementation strategy.
- (4) Condition 2 is that the Pensions Regulator is satisfied that—
  - (a) there is, or is likely to be if a pause order is not made, an immediate risk to the interests of members of the scheme or the assets of the scheme, and
  - (b) it is necessary to make a pause order to protect the interests of the generality of the members of the scheme.
- (5) A pause order is an order that during the period for which it has effect one or more of the following directions has effect—
  - (a) a direction that no new members (or no new members of a specified description) are to be admitted to the scheme;
  - (b) a direction that no further payments (or no further payments of a specified description) are to be made towards the scheme—
    - (i) by or on behalf of employers or relevant former employers (or employers or relevant former employers of a specified description), or
    - (ii) by or in respect of members (or members of a specified description);
  - (c) a direction that an amount (or specified amount) which—

---

*Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)*

---

- (i) corresponds to a payment that would be due to be made towards the scheme in respect of a member but for a direction under paragraph (b), and
    - (ii) has been deducted from a payment of earnings in respect of an employment,

is to be repaid to the member in question by the employer;
  - (d) a direction that no benefits (or no benefits of a specified description) are to be paid to or in respect of members (or members of a specified description) under the scheme rules;
  - (e) a direction that—
    - (i) no transfers (or no transfers of a specified description) of or in respect of a member's rights under the scheme rules are to be made from the scheme,
    - (ii) no transfer payments (or no transfer payments of a specified description) in respect of a member's rights under the scheme rules are to be made from the scheme, or
    - (iii) no other steps (or no other steps of a specified description) are to be taken to discharge a liability of the scheme to or in respect of a member of the scheme in respect of pensions or other benefits.
- (6) In subsection (5)(b)—
- (a) a reference to payments does not include payments due to be made before the order takes effect, and
  - (b) a reference to payments towards a scheme includes payments in respect of pension credits where the person entitled to the credit is a member of the scheme.
- (7) A direction under subsection (5)(e) may provide that—
- (a) no transfers of or in respect of a member's rights under the scheme rules, or no such transfers of a specified description, may be made from the scheme, or
  - (b) no transfer payments in respect of such rights, or no such transfer payments of a specified description, may be made from the scheme,
- unless the amounts paid out from the scheme in respect of the transfers or transfer payments are determined in a specified manner and the transfers or transfer payments satisfy such other conditions as may be specified.
- (8) A pause order may also require the trustees of the scheme to obtain an actuarial valuation within a specified period.
- (9) A pause order containing such a requirement must specify—
- (a) the date by reference to which the matters to be set out in the valuation must be determined;
  - (b) the information and statements that the valuation must contain;
  - (c) any other requirements that the valuation must satisfy.
- (10) Schedule 2 makes further provision about pause orders.
- (11) In this section—
- “earnings” has the meaning given in section 181(1) of the Pension Schemes Act 1993;



*Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)*

“pension credit” means a credit under section 29(1)(b) of the Welfare Reform and Pensions Act 1999 or Article 26(1)(b) of the Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147 (N.I. 11));

“specified” means specified in the pause order.

#### Commencement Information

**I27** S. 44 in force at Royal Assent for specified purposes, see s. 131(3)(a)

**I28** S. 44 in force at 1.8.2022 in so far as not already in force by S.I. 2022/721, reg. 3(a)

### 45 Prohibition on increasing charges etc during triggering event period

- (1) During a triggering event period for a collective money purchase scheme, the trustees must not—
  - (a) impose administration charges on or in respect of members at levels above those set out in the implementation strategy,
  - (b) impose new administration charges on or in respect of members, or
  - (c) impose administration charges on or in respect of a member in consequence of the member leaving, or deciding to leave, the scheme during that period.
- (2) The trustees of a receiving scheme that is a collective money purchase scheme or a Master Trust scheme must not—
  - (a) impose administration charges on or in respect of members at levels above those set out in the document provided to the Pensions Regulator by virtue of regulations under section 36(7)(e), or
  - (b) impose new administration charges on or in respect of members, for the purposes of meeting any of the costs mentioned in subsection (4).
- (3) The Secretary of State may by regulations—
  - (a) provide that subsection (1) or (2) does not apply in relation to administration charges specified or described in the regulations;
  - (b) make provision about how levels of administration charges are to be calculated for the purposes of this section.
- (4) The costs referred to in subsection (2) are costs for which a receiving scheme is liable—
  - (a) which were incurred by the transferring scheme, or
  - (b) which relate directly to the transfer of the value of accrued rights to benefits under the transferring scheme.
- (5) To the extent that there is a conflict, this section overrides a provision of—
  - (a) a collective money purchase scheme,
  - (b) a Master Trust scheme,
  - (c) a contract between the trustees of a collective money purchase scheme and a person providing services in relation to the scheme, or
  - (d) a Master Trust scheme contract within the meaning of section 39(1) of the Pension Schemes Act 2017 or any corresponding statutory provision.
- (6) The Secretary of State may by regulations apply some or all of the provisions of this section to a receiving scheme that has characteristics specified in regulations under section 36(2)(b).

---

*Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Triggering events and continuity options. (See end of Document for details)*

---

- (7) Section 10 of the Pensions Act 1995 (civil penalties) applies to a trustee who fails to comply with this section.
- (8) In this section—
- “receiving scheme” means a pension scheme that—
- (a) receives a transfer from a transferring scheme of the value of accrued rights to benefits under that scheme during a triggering event period for that scheme, and
  - (b) was proposed by the trustees of the transferring scheme, or by employers in relation to that scheme, as a scheme to which the value of those rights should be transferred;
- “transferring scheme” means a collective money purchase scheme the trustees of which, following a triggering event, are pursuing continuity option 1.
- (9) Regulations under subsection (3)(a) or (6), and the first regulations under subsection (3)(b), are subject to affirmative resolution procedure.
- (10) Subsequent regulations under subsection (3)(b) are subject to negative resolution procedure.

**Modifications etc. (not altering text)**

- C1** S. 45 applied in part (1.8.2022) by [The Occupational Pension Schemes \(Collective Money Purchase Schemes\) Regulations 2022 \(S.I. 2022/255\)](#), regs. 1(3), **34(3)**
- C2** S. 45(1) excluded (1.8.2022) by [The Occupational Pension Schemes \(Collective Money Purchase Schemes\) Regulations 2022 \(S.I. 2022/255\)](#), regs. 1(3), **34(1)(2)**
- C3** S. 45(2) excluded (1.8.2022) by [The Occupational Pension Schemes \(Collective Money Purchase Schemes\) Regulations 2022 \(S.I. 2022/255\)](#), regs. 1(3), **34(1)(2)**

**Commencement Information**

- I29** S. 45 in force at Royal Assent for specified purposes, see s. 131(3)(a)
- I30** S. 45 in force at 1.8.2022 in so far as not already in force by [S.I. 2022/721](#), **reg. 3(a)**

**Changes to legislation:**

There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross  
Heading: Triggering events and continuity options.