

SCHEDULES

SCHEDULE 11

FURTHER PROVISION RELATING TO PENSION SCHEMES: NORTHERN IRELAND

PART 1

FUNDING OF DEFINED BENEFIT SCHEMES

Amendments of Part 4 of the Pensions (Northern Ireland) Order 2005

1 Part 4 of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1)) (scheme funding) is amended as follows.

Commencement Information

II Sch. 11 para. 1 in force at Royal Assent for specified purposes, see s. 131(3)(c)

2 Before Article 201 insert—

“Funding and investment strategy

200A1) The trustees or managers must determine, and from time to time review and if necessary revise, a strategy for ensuring that pensions and other benefits under the scheme can be provided over the long term.

This is referred to in this Part as a “funding and investment strategy”.

- (2) The strategy must, in particular, specify—
- (a) the funding level the trustees or managers intend the scheme to have achieved as at the relevant date or relevant dates, and
  - (b) the investments the trustees or managers intend the scheme to hold on the relevant date or relevant dates.
- (3) In paragraph (2)—
- (a) “funding level” means the ratio of the scheme's assets to its liabilities;
  - (b) “relevant date” means a date determined in accordance with regulations.
- (4) Provision may be made by regulations—
- (a) requiring the trustees or managers of a scheme, in determining or revising a funding and investment strategy, to take into account prescribed matters and follow prescribed principles;
  - (b) as to the level of detail required in a funding and investment strategy;

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**Changes to legislation:** There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross Heading: Amendments of Part 4 of the Pensions (Northern Ireland) Order 2005. (See end of Document for details)

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- (c) as to the period within which a funding and investment strategy must be determined;
  - (d) requiring a funding and investment strategy to be reviewed, and if necessary revised, at such intervals and on such occasions as may be prescribed.
- (5) The provision that may be made by virtue of paragraph (4)(a) includes provision requiring the trustees or managers, in specifying a funding level for the purposes of paragraph (2)(a), to adopt prescribed actuarial methods or assumptions.
- (6) Where any requirement of this Article is not complied with, Article 10 of the 1995 Order (civil penalties) applies to a trustee or manager who has failed to take all reasonable steps to secure compliance.

#### *Statement of strategy*

- 200B) The trustees or managers must, as soon as reasonably practicable after determining or revising the scheme's funding and investment strategy, prepare a written statement of—
- (a) the scheme's funding and investment strategy, and
  - (b) the supplementary matters set out in paragraph (2).
- (2) The supplementary matters are—
- (a) the extent to which, in the opinion of the trustees or managers, the funding and investment strategy is being successfully implemented and, where it is not, the steps they propose to take to remedy the position (including details as to timing);
  - (b) the main risks faced by the scheme in implementing the funding and investment strategy and how the trustees or managers intend to mitigate or manage them;
  - (c) reflections of the trustees or managers on any significant decisions taken by them in the past that are relevant to the funding and investment strategy (including any lessons learned that have affected other decisions or may do so in the future);
  - (d) such other matters as may be prescribed.
- (3) In this Part—
- (a) a statement under paragraph (1) is referred to as a “statement of strategy”;
  - (b) the text included in a statement of strategy by virtue of paragraph (1) (a) is referred to as “Part 1” of the statement;
  - (c) the text included in a statement of strategy by virtue of paragraph (1) (b) is referred to as “Part 2” of the statement.
- (4) The trustees or managers must from time to time, and at such times and on such occasions as may be prescribed—
- (a) review Part 2 of the scheme's statement of strategy, and
  - (b) if necessary in the light of that review, revise that Part and prepare a replacement statement of strategy incorporating it.
- (5) The trustees or managers must consult the employer when preparing or revising Part 2 of a statement of strategy.

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- (6) A statement of strategy prepared for a trust scheme must be signed on behalf of the trustees by a person who—
  - (a) is the chair of the trustees, and
  - (b) meets such other conditions as may be prescribed.
- (7) Where paragraph (6) cannot be complied with because the trustees of a trust scheme do not have a chair, they must appoint one.
- (8) Provision may be made by regulations—
  - (a) requiring the trustees or managers of a scheme, in preparing or revising Part 2 of a statement of strategy, to take into account prescribed matters and follow prescribed principles;
  - (b) as to the level of detail required in Part 2 of a statement of strategy;
  - (c) as to the form of a statement of strategy;
  - (d) requiring the trustees or managers of a scheme to send a statement of strategy to the Regulator at such times and on such occasions as may be prescribed.
- (9) Where any requirement of this Article is not complied with, Article 10 of the 1995 Order (civil penalties) applies to a trustee or manager who has failed to take all reasonable steps to secure compliance.”

#### Commencement Information

**I2** [Sch. 11 para. 2](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(c\)](#)

- 3 (1) Article 201 (the statutory funding objective) is amended as follows.
- (2) After paragraph (2) insert—
  - “(2A) The scheme's technical provisions shall be calculated in a way that is consistent with the scheme's funding and investment strategy, as set out in the scheme's statement of strategy.”
- (3) In paragraph (3)(b), after “in a prescribed manner and” insert “, subject to paragraph (2A),”.

#### Commencement Information

**I3** [Sch. 11 para. 3](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(c\)](#)

- 4 (1) Article 203 (actuarial valuations and reports) is amended as follows.
- (2) After paragraph (7) insert—
  - “(7A) As soon as reasonably practicable after receiving an actuarial valuation, the trustees or managers must send a copy of it to the Regulator, together with such other information as may be prescribed.”
- (3) In paragraph (8), for “or (7)” substitute “, (7) or (7A) ”.

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#### Commencement Information

**I4** [Sch. 11 para. 4](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(c\)](#)

5 In Article 205 (recovery plan), after paragraph (3) insert—

“(3A) Provision may be made by regulations as to the matters to be taken into account, or the principles to be followed, in determining for the purposes of paragraph (3) whether a recovery plan is appropriate having regard to the nature and circumstances of the scheme.”

#### Commencement Information

**I5** [Sch. 11 para. 5](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(c\)](#)

6 In Article 208 (matters requiring agreement of employer), in paragraph (1), before sub-paragraph (a) insert—

“(za) the scheme's funding and investment strategy, as set out in the scheme's statement of strategy;”.

#### Commencement Information

**I6** [Sch. 11 para. 6](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(c\)](#)

7 (1) Article 210 (powers of the Regulator) is amended as follows.

(2) In paragraph (1), before sub-paragraph (za) insert—

“(zza) that the trustees or managers have failed to comply with any of the requirements of Article 200A (funding and investment strategy) or regulations under that Article;”.

(3) In paragraph (2), after sub-paragraph (a) insert—

“(aa) it may give a direction requiring the trustees or managers to revise the scheme's funding and investment strategy in accordance with the direction;”.

#### Commencement Information

**I7** [Sch. 11 para. 7](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(c\)](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Pension Schemes Act 2021, Cross  
Heading: Amendments of Part 4 of the Pensions (Northern Ireland) Order 2005.