
STATUTORY INSTRUMENTS

1996 No. 1216

The Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 1996

PART I

GENERAL PROVISIONS

Preliminary

Citation and commencement

1.—(1) These regulations may be cited as the Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 1996.

(2) This regulation and regulations 2, 11, 22 and 24 and paragraph 8 of Schedule 4 shall come into force on 6th October 1996 and the remaining provisions of these regulations shall come into force on 6th April 1997.

General interpretation

2.—(1) Unless the context otherwise requires, in these regulations—

“alternative arrangements”—

- (a) in relation to a scheme to which section 16 applies (or would apply apart from the approval of such arrangements), means arrangements proposed by the employer, as mentioned in section 17(1), as an alternative to those which the trustees of the scheme are otherwise required by section 16 to make for persons selected by members of the scheme to be trustees of the scheme (whether those arrangements are existing or new), and
- (b) in relation to a company to which section 18 applies (or would apply apart from the approval of such arrangements), means arrangements proposed by the employer, as mentioned in section 19(1), as an alternative to those which the company is otherwise required by section 18 to make for persons selected by members of the scheme to be its directors (whether those arrangements are existing or new);

“appropriate corresponding scheme” means an approved scheme—

- (a) which is treated by the Commissioners of Inland Revenue for the purposes of its approval as a centralised scheme for associated employers, and
- (b) none of the employers in relation to which is associated with another of those employers, and for the purposes of this definition—
 - (i) the fact that some employers in relation to a scheme are associated by virtue of controlling or being controlled by other employers shall be disregarded if the total number of active members of the scheme who are in pensionable service under the scheme with employers

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who are associated by virtue of being controlled by other employers is less than 1 per cent. of the total number of active members the scheme comprises, and

- (ii) “associated” and “control” are to be construed in accordance with paragraph 28(3) and (4) of Schedule 6 to the Finance Act 1989 ^{M1} (centralised schemes);

“appropriate rules” has the meaning given in section 20;

“approval period” in relation to the approval of alternative arrangements—

- (a) in the case of arrangements proposed under section 17(1), has the meaning given in regulation 9(3), and
- (b) in the case of arrangements proposed under section 19(1), has the meaning given in regulation 15(3);

“approved scheme” means a scheme which is approved or was formerly approved under section 590 or 591 of the Taxes Act or in respect of which an application for such approval has been duly made which has not been determined; and, for the purposes of this definition, if only part of a scheme is an approved scheme the whole scheme shall be treated as if it were an approved scheme;

“associated” shall be construed in accordance with paragraph (3);

“the commencement date” means 6th April 1997;

“connected” shall be construed in accordance with paragraph (3);

“direct payment, paid-up insured scheme” means a scheme under which—

- (a) no further contributions are payable,
- (b) the benefits that may be provided in respect of an individual are determined by reference to the value of the whole or a specified part of the rights under a contract of insurance, and
- (c) the benefits in respect of any member are, in accordance with an agreement made between the insurer and the trustees of the scheme (or a subsequent agreement made with any person for the provision of those benefits by him), to be paid by the insurer (or that person) directly to the member or to a person entitled to benefits in respect of him;

“eligible members”, in relation to a scheme, means the members of the scheme by whom, in accordance with section 21(8)(a), approval of appropriate rules or, as the case may be, of alternative arrangements must be given (taking them as a whole) and, in a case where section 21(8) applies as mentioned in section 18(8) (aggregation) ^{F1}..., the references in this definition to the scheme are to the single scheme there mentioned;

“employer”, in relation to a scheme, means the employer of persons in the description or category of employment to which the scheme in question relates (but see paragraphs 1 and 4 of Schedule 3);

“former old code scheme” means an approved scheme which was formerly approved under section 208 of the Income and Corporation Taxes Act 1970 ^{M2} and under the provisions of which—

- (a) no further contributions are payable, and
- (b) the entitlement in respect of each member is to a benefit consisting of a specified fixed amount which may not be altered unless—
- (i) he retires otherwise than at his normal pension age, or
- (ii) another person becomes entitled to a benefit in respect of him;

“independently selected”, in relation to a trustee of a scheme or a director of a company which is a trustee of a scheme, means selected as a trustee or, as the case may be, a director—

- (a) by some or all of the members of the scheme (otherwise than wholly or mainly by members who are directors of companies which are employers in relation to the scheme), or
- (b) by an organisation which represents some or all of the members of the scheme (other than wholly or mainly members who are such directors);

[^{F2}“insurer” means—

- (a) a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to effect or carry out contracts of long-term insurance, or
- (b) an EEA firm of the kind mentioned in paragraph 5(d) of Schedule 3 to that Act, which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12 of that Schedule) to effect or carry out contracts of long-term insurance;]

“member” [^{F3}shall be construed in accordance with regulation 3 and], in relation to a scheme to which regulation 18 applies, includes a member of any other scheme with which it is treated by that regulation as a single scheme;

“opt-out failure date”, in relation to a proposal by an employer for alternative arrangements, means—

- (a) if the employer gives the trustees notice in writing within the approval period that he is not proceeding with the proposals, the date of that notice, and
- (b) otherwise, the date with which the approval period expires;

“relevant benefits” has the meaning given in section 612(1) of the Taxes Act;

“relevant approved centralised scheme” means an approved scheme—

- (a) which has been categorised by the Commissioners of Inland Revenue for the purposes of its approval as a centralised scheme for non-associated employers (whether or not the employers are associated within the meaning of these regulations), or is an appropriate corresponding scheme,
- (b) under the provisions of which the power to appoint or remove all the trustees is not exercisable solely by one employer or by employers all of whom are connected with each other, and
- (c) which satisfies the independence conditions specified in paragraph (4);

“relevant executive pension scheme”, in relation to a company, means a scheme—

- (a) in relation to which the company is the only employer and the sole trustee, and
- (b) the members of which are either current or former directors of the company and include at least one-third of the current directors;

“relevant scheme”, in relation to any company to which section 18 applies (or would apply apart from section 19(1)), means a scheme by virtue of the trusteeship of which section 18 applies to the company (or would apply apart from section 19(1));

[^{F4}“relevant self-administered scheme” means an approved scheme which is—

- (a) a small self-administered scheme, as defined in regulation 2(1) of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-administered Schemes) Regulations 1991, or
- (b) a scheme which [^{F5}satisfies paragraphs (b) and (c)] of that definition and, if it satisfied paragraph (a) of that definition, would be a scheme which the Commissioners of Inland Revenue would not be prohibited by those regulations from approving under section 591 of the Taxes Act][^{F6}, or]

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- (c) [^{F7}a scheme which satisfies paragraphs (b) and (c) of that definition and, if it satisfied paragraph (a) of that definition, would be a scheme which the Commissioners of Inland Revenue would not have been prohibited from approving under section 591 of the Taxes Act before 7th April 1998;]

“relevant statutory scheme” has the meaning given in section 611A of the Taxes Act ^{M3};

[^{F8}“relevant wholly insured scheme” means a scheme under which all the benefits are secured by contracts of insurance or annuity contracts, some or all of which are with [^{F9}an insurer] which—

- (a) is or is connected with the sole trustee of the scheme, but
 (b) is not and is not connected with the employer;]

“scheme”, in relation to a scheme to which regulation 18 applies, includes any other scheme with which it is treated by that regulation as a single scheme;

“scheme year”, in relation to a scheme, means—

- (a) a year specified for the purposes of the scheme in any document comprising the scheme or, if none is so specified, a period of 12 months commencing with 1st April or such other date as the trustees of the scheme select, or
 (b) such other period (if any) exceeding 6 months but not exceeding 18 months as is selected by the trustees—
 (i) in respect of the scheme year in which the scheme commences or terminates, or
 (ii) in connection with a variation of the date on which the scheme year is to commence,

and, in relation to a scheme to which regulation 18 applies, references to the first scheme year are to the first scheme year of whichever of the schemes treated as a single scheme commences last;

“section 615(6) scheme” means a scheme with such a superannuation fund as is mentioned in section 615(6) of the Taxes Act;

“the statutory consultation procedure” has the meaning given in section 21(7) (and is prescribed in Schedule 1);

“the Taxes Act” means the Income and Corporation Taxes Act 1988 ^{M3}.

[^{F10}(1A) The definition of “insurer” in paragraph (1) must be read with—

- (a) section 22 of the Financial Services and Markets Act 2000;
 (b) any relevant order under that section; or
 (c) Schedule 2 to that Act.]

(2) Except as otherwise provided, expressions used in these regulations have the same meaning as if they were used in Part I of the Pensions Act 1995 ^{M4}.

(3) For the purposes of these regulations, unless the context otherwise requires—

- (a) sections 249 and 435 of the Insolvency Act 1986 ^{M5} (connected and associated persons) shall apply as they apply for the purposes of that Act; and
 (b) section 74 of the Bankruptcy (Scotland) Act 1985 ^{M6} (associated persons) shall apply as it applies for the purposes of that Act.

(4) The independence conditions referred to in paragraph (c) of the definition in paragraph (1) of “relevant approved centralised scheme” are—

- (a) in the case of a scheme each trustee of which is a company, that at least one-third of the total number of the directors of each of those companies are persons who are independent or independently selected; and
- (b) otherwise, that at least one-third of the total number of trustees are persons who—
- (i) have no direct legal or beneficial interest in the assets of any of the employers or of the scheme (otherwise than as trustees), are neither connected with, nor associates of, any of the employers and, if they are companies, satisfy the condition mentioned in paragraph (a), or
 - (ii) have been independently selected.
- (5) For the purposes of paragraph (4)(a), a director is independent in relation to a scheme only if he—
- (a) has no direct legal or beneficial interest in the assets of any of the employers or of the scheme, and
 - (b) is neither connected with, nor an associate of, any of the employers.
- (6) References to employers in paragraph (b) of the definition in paragraph (1) of “relevant approved centralised scheme” and in paragraphs (4)(b) and (5) do not include companies which carry on the business of acting as trustee of, or providing administrative services to, the scheme and no other business.
- (7) Unless the context otherwise requires, in these regulations any reference to a section shall be construed as a reference to a section of the Pensions Act 1995 ^{M7}.

- F1** Words in reg. 2(1) omitted (6.4.1997) by virtue of [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1997 \(S.I. 1997/786\)](#), reg. 1, **Sch. 1 para. 5(2)(a)** (with [Sch. 1 para. 5\(15\)](#))
- F2** Words in reg. 2(1) inserted (1.12.2001) by [The Financial Services and Markets Act 2000 \(Consequential Amendments and Repeals\) Order 2001 \(S.I. 2001/3649\)](#), arts. 1, **524(2)(a)**
- F3** Words in reg. 2(1) inserted (6.4.1997) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1997 \(S.I. 1997/786\)](#), reg. 1, **Sch. 1 para. 5(2)(b)** (with [Sch. 1 para. 5\(15\)](#))
- F4** Words in reg. 2(1) substituted (6.4.1997) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1997 \(S.I. 1997/786\)](#), reg. 1, **Sch. 1 para. 5(2)(c)** (with [Sch. 1 para. 5\(15\)](#))
- F5** Words in reg. 2(1) substituted (30.12.1999) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1999 \(S.I. 1999/3198\)](#), regs. 1(1), **7(2)(a)(i)**
- F6** Word in reg. 2(1) inserted (30.12.1999) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1999 \(S.I. 1999/3198\)](#), regs. 1(1), **7(2)(a)(ii)**
- F7** Words in reg. 2(1) inserted (30.12.1999) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1999 \(S.I. 1999/3198\)](#), regs. 1(1), **7(2)(b)**
- F8** Words in reg. 2(1) inserted (6.4.1997) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1997 \(S.I. 1997/786\)](#), reg. 1, **Sch. 1 para. 5(2)(d)** (with [Sch. 1 para. 5\(15\)](#))
- F9** Words in reg. 2(1) substituted (1.12.2001) by [The Financial Services and Markets Act 2000 \(Consequential Amendments and Repeals\) Order 2001 \(S.I. 2001/3649\)](#), arts. 1, **524(2)(b)**
- F10** Reg. 2(1A) inserted (1.12.2001) by [The Financial Services and Markets Act 2000 \(Consequential Amendments and Repeals\) Order 2001 \(S.I. 2001/3649\)](#), arts. 1, **524(3)**

Marginal Citations

- M1** 1989 c.26.
- M2** 1970 c.10. Section 208 was repealed by the [Finance Act 1971 \(c.68\)](#) with effect from 6th April 1980.
- M3** 1988 c.1. Section 611A was inserted by Schedule 6 to the [Finance Act 1989 \(c.26\)](#).

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- M4** [1995 c.26.](#)
- M5** [1986 c.45.](#)
- M6** [1985 c.66.](#)
- M7** [1995 c.26.](#)

[^{F11} **Scheme membership**

3.—(1) Subject to the following provisions of this regulation, in determining at any time after the first scheme year of the scheme for the purposes of sections 16 to 21 and these regulations (so far as those sections and these regulations relate to the number of members which a scheme comprises or to the statutory consultation procedure) whether or not a person is a member or whether he is a member of a specified description, a person shall be treated as becoming or ceasing to be a member or, as the case may be, a member of that description at the beginning of the scheme year following that in which he actually becomes or ceases to be a member or, as the case may be, a member of that description.

(2) If a member ceases to be a member before the statutory consultation procedure begins, he shall not be treated as a member by virtue of paragraph (1) for the purposes of that procedure (but this paragraph does not affect the application of paragraph (1) to persons who cease to be members of a specified description whilst remaining members).

(3) Where paragraph (1) applies and the statutory consultation procedure begins in one scheme year and ends in another, for the purposes of that procedure the question whether a person is a member or a member of a specified description at any time during that procedure shall be determined in accordance with that paragraph immediately before the start of that procedure.

(4) The trustees of a scheme may determine—

- (a) that paragraph (1) shall not apply in relation to the scheme at any time on or after the date of the determination; or
- (b) that, for the purposes of any statutory consultation procedure beginning on or after that date—
 - (i) the question whether a person is a member at any time during that procedure, or
 - (ii) the question whether a member is a member of a specified description at any such time, or
 - (iii) both those questions,

shall be determined at a time no more than two months before the start of that procedure.

(5) A determination under paragraph (4) may apply as respects all the provisions to which paragraph (1) refers or only to provisions specified in the determination, and may be revoked or amended by a further determination.

(6) Paragraphs (1) to (5) are without prejudice to paragraph 8(3) of Schedule 1.

(7) For the purposes of sections 16 to 21 and these regulations, “member”, in relation to a scheme, does not include any person whose service is only pensionable service by virtue of qualifying him for death benefits (unless by virtue of any of the previous provisions of this regulation he is at any time treated as a member by virtue of previous membership).]

- F11** [Reg. 3 substituted \(6.4.1997\) by The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1997 \(S.I. 1997/786\), reg. 1, Sch. 1 para. 5\(3\) \(with Sch. 1 para. 5\(15\)\)](#)

Application of sections 16 and 18

Exceptions from member-nominated trustee requirements

4.—(1) Section 16 (requirement for member-nominated trustees) does not apply to any trust scheme—

- (a) each trustee of which is a company;
- (b) which is a relevant scheme in relation to a company in respect of which alternative arrangements under section 19(1) are for the time being approved;
- (c) which has less than two members;
- (d) the only benefits provided by which are death benefits;
- (e) to which section 119 of the Pension Schemes Act 1993 ^{M8} (requirement for independent trustee where employer becomes insolvent etc.) or section 22 (circumstances for application of requirement for an independent trustee) applies;
- (f) which is an occupational pension scheme which provides relevant benefits, but is neither an approved scheme nor a relevant statutory scheme;
- (g) which is a relevant self-administered scheme;
- (h) which is a relevant approved centralised scheme;
- (i) which is a direct payment, paid-up insured scheme;
- (j) which is a former old code scheme;
- (k) which is a section 615(6) scheme;
- (l) which is made under section 2 of the Parliamentary and other Pensions Act 1987 ^{M9} (power to provide for pensions for Members of the House of Commons etc.); ^{F12} ...
- (m) which has been modified under Schedule 5 to the Coal Industry Act 1994 ^{M10};
 ^{F13}or
- (n) which is a stakeholder pension scheme within the meaning of section 1 of the Welfare Reform and Pensions Act 1999.]
- ^{F14}(o) which is a Republic of Ireland scheme within the meaning of the Occupational Pension Schemes (Republic of Ireland Schemes Exemption) Regulations 2000.]
- ^{F15}(2)

F12 Word in reg. 4(1) deleted (1.10.2000) by [The Stakeholder Pension Schemes Regulations 2000 \(S.I. 2000/1403\)](#), regs. 1(2), **30(2)(a)**

F13 Reg. 4(1)(n) and word added (1.10.2000) by [The Stakeholder Pension Schemes Regulations 2000 \(S.I. 2000/1403\)](#), regs. 1(2), **30(2)(b)**

F14 Reg. 4(1)(o) inserted (31.12.2000) by [The Occupational Pension Schemes \(Republic of Ireland Schemes Exemption\) Regulations 2000 \(S.I. 2000/3198\)](#), regs. 1(1), **6(2)**

F15 Reg. 4(2) revoked (6.4.1997) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1997 \(S.I. 1997/786\)](#), reg. 1, Sch. 1 para. 5(4), **Sch. 2** (with Sch. 1 para. 5(15))

Marginal Citations

M8 1993 c.48.
M9 1987 c.45.
M10 1994 c.21.

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Extension of section 18

5.—(1) In addition to the case specified in subsection (1) of section 18 (which applies that section where a company which is connected with the employer is trustee of a scheme), that section also applies where a company is a trustee of a trust scheme and either—

- (a) it is the sole trustee of the scheme; or
- (b) all the other trustees are companies,

unless that section is disapplied by section 19 or regulation 6.

^{F16}(2)

^{F16}(3)

F16 Reg. 5(2)(3) revoked (6.4.1997) by The Personal and Occupational Pension Schemes (Miscellaneous Amendments) Regulations 1997 (S.I. 1997/786), reg. 1, Sch. 1 para. 5(5), Sch. 2 (with Sch. 1 para. 5(15))

Exceptions from member-nominated director requirements

6.—(1) Section 18 (requirement for member-nominated directors for certain corporate trustees) does not apply to any company by virtue of its being a trustee of a trust scheme—

- (a) which has another trustee who is not a company;
- (b) in respect of which alternative arrangements under section 17(1) are for the time being approved;
- (c) which has less than two members;
- (d) the only benefits provided by which are death benefits;
- (e) to which section 119 of the Pension Schemes Act 1993 ^{M11} (requirement for independent trustee where employer becomes insolvent etc.) or section 22 (circumstances for application of requirement for an independent trustee) applies;
- (f) which is an occupational pension scheme which provides relevant benefits, but is neither an approved scheme nor a relevant statutory scheme;
- (g) which is a relevant self-administered scheme;
- (h) which is a relevant approved centralised scheme;
- (i) which is a relevant executive pension scheme in relation to the company;
- (j) which is a direct payment, paid-up insured scheme;
- ^{F17}(ja) which is a relevant wholly insured scheme;
- (k) which is a former old code scheme;
- (l) which is a section 615(6) scheme;
- (m) which is made under section 2 of the Parliamentary and other Pensions Act 1987 (power to provide for pensions for Members of the House of Commons etc.); ^{F18} ...
- (n) which has been modified under Schedule 5 to the Coal Industry Act 1994.
- ^{F19}or
- (o) which is a stakeholder pension scheme within the meaning of section 1 of the Welfare Reform and Pensions Act 1999.]
- ^{F20}(p) which is a Republic of Ireland scheme within the meaning of the Occupational Pension Schemes (Republic of Ireland Schemes Exemption) Regulations 2000.]

F21(2)

- F17** Reg. 6(1)(ja) inserted (6.4.1997) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1997 \(S.I. 1997/786\)](#), reg. 1, **Sch. 1 para. 5(6)(a)** (with Sch. 1 para. 5(15))
- F18** Word in reg. 6(1)(m) deleted (1.10.2000) by [The Stakeholder Pension Schemes Regulations 2000 \(S.I. 2000/1403\)](#), regs. 1(2), **30(3)(a)**
- F19** Reg. 6(1)(o) and word added (1.10.2000) by [The Stakeholder Pension Schemes Regulations 2000 \(S.I. 2000/1403\)](#), regs. 1(2), **30(3)(b)**
- F20** Reg. 6(1)(p) inserted (31.12.2000) by [The Occupational Pension Schemes \(Republic of Ireland Schemes Exemption\) Regulations 2000 \(S.I. 2000/3198\)](#), regs. 1(1), **6(3)**
- F21** Reg. 6(2) revoked (6.4.1997) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1997 \(S.I. 1997/786\)](#), reg. 1, Sch. 1 para. 5(6)(b), **Sch. 2** (with Sch. 1 para. 5(15))

Marginal Citations

M11 1993 c.48.

PART II

MEMBER-NOMINATED TRUSTEES

Section 16 arrangements and rules

Implementation of requirements as to member-nominated trustees: general

7.—(1) Subject to the following provisions of this regulation, the trustees of a trust scheme to which section 16 (requirement for member-nominated trustees) applies must secure—

- (a) that such arrangements as are required by section 16(1) are made; and
- (b) that member-nominated trustees are required to be selected in pursuance of the appropriate rules,

by such times as to secure that the number of such trustees never falls below the number provided for by the arrangements in accordance with section 16(6).

(2) Paragraph (1) does not apply during the period of six months beginning—

- (a) in the case of a scheme to which section 16 applies on the commencement date, with that date;
- (b) in the case of a scheme to which section 16 first applies after the commencement date, with the date on which it first applies to the scheme;
- (c) in the case of a scheme to which section 16 has ceased to apply and then reapplies (otherwise than by virtue of section 17(1) ceasing to apply to it or its ceasing to be a relevant scheme), with the date on which section 16 reapplies to it; and
- (d) if—
 - (i) before the expiry of the period of six months beginning with the date mentioned in paragraph (a), (b) or (c) the employer duly gives notice under regulation 9(1)(a) that he intends to propose alternative arrangements, but
 - (ii) the conditions imposed by regulation 9(1)(b) for the application of section 17(1) are not satisfied within the approval period,

with the opt-out failure date.

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(3) A deficiency in the number of member-nominated trustees provided for by the arrangements in accordance with section 16(6) is not a breach of the requirement in paragraph (1) during the appropriate excepted period—

- (a) if a vacancy for such a trustee has not been filled because insufficient nominations are received;
 - (b) if such a trustee has ceased to be a trustee otherwise than by virtue of the expiry of his period of office; or
 - (c) if the number of members a scheme comprises increases from less than 100 at the end of one scheme year to 100 or more at the end of the next scheme year (“the second year”).
- (4) In paragraph (3) “the appropriate excepted period” means—
- (a) where paragraph (3)(a) applies, the period during which, if there had been sufficient nominations for a member-nominated trustee to be selected by nomination, his selection would have had effect in accordance with the arrangements made under section 16(5) for the scheme;
 - (b) where paragraph (3)(b) applies, the period of six months beginning with the cessation or the remainder of the trustee’s period of office, if less; and
 - (c) where paragraph (3)(c) applies, the first six months of the year following the second year.

Appropriate rules as to the selection and eligibility of member-nominated trustees

8.—(1) The trustees of a scheme to which section 16 applies, or to which it would apply apart from section 17(1) or regulation 4, may at any time propose appropriate rules in respect of the scheme.

(2) The statutory consultation procedure for such rules is set out in Schedule 1 (which also sets out the conditions which must be satisfied for the approval of such rules).

(3) In that Schedule “the proposer”, in relation to such rules, means the trustees of the scheme.

(4) The prescribed rules for the purposes of section 20(1)(b) (which are the appropriate rules for a scheme to which section 16 applies, if no other rules are for the time being approved) are the rules set out in Part I of Schedule 2.

Proposals by employers for alternative arrangements

Proposals by the employer for alternative arrangements under section 17

9.—(1) Section 17(1) (by virtue of which the requirements in section 16 as to member-nominated trustees do not apply to a trust scheme in certain circumstances) only applies if—

- (a) the employer gives notice in writing to the trustees of the scheme at a permitted notice time that he intends to propose alternative arrangements; and
- (b) before the expiry of the approval period—
 - (i) alternative arrangements are approved; and
 - (ii) the employer gives notice in writing to the trustees of the scheme of their approval, stating in the notice what those arrangements are and specifying all such matters relating to them as are required to be specified in a notice under paragraph 5(3) of Schedule 1.

(2) In paragraph (1)(a) “permitted notice time” means, subject to paragraph (4)—

- (a) in the case of the first notice to be given in relation to a scheme under paragraph (1)(a)—

- (i) any time during the period of one month beginning with the commencement date or, if section 16 does not apply to the scheme on that date, before or during the period of one month beginning with the date it first applies to it;
- (ii) if the approval of appropriate rules under section 16 for the scheme is ceasing to have effect by virtue of paragraph (1)(g) of regulation 20, any time during the period of one month beginning with the date on which notice is given to the employer under paragraph (3) of that regulation; ^{F22} ...
- ^{F23}(iii) except where paragraph (iv) applies, any time not less than ten years after the date applicable under paragraph (i) or, if such a notice as is mentioned in paragraph (ii) has been given, after the date mentioned in that paragraph; or
- (iv) any time not less than four years after—
 - (aa) the date section 16 first applies to the scheme, where this occurs on or after 6th October 2002; or
 - (bb) the date mentioned in paragraph (ii) if such a notice as is mentioned in that paragraph is given on or after 6th October 2002;]
- (b) in the case of a second or subsequent notice under paragraph (1)(a) which is given in respect of a scheme to which by virtue of section 17(1) section 16 does not apply—
 - (i) if the approval of alternative arrangements for the scheme is ceasing to have effect by virtue of paragraph (1)(g) of regulation 20, any time during the period of one month beginning with the date on which notice is given to the employer under paragraph (3) of that regulation; and
 - (ii) ^{F24}in any other case (except where the approval of alternative arrangements ceases to have effect by virtue of paragraph (1)(d)(ii) of regulation 20)], any time not more than twelve nor less than six months before the date on which the approval of the alternative arrangements under section 17(1) ceases to have effect;
- ^{F25}(c) in the case of a second or subsequent notice under paragraph (1)(a) which is given in respect of a scheme to which section 16 applies—
 - (i) except where paragraph (ii) applies, any time after the expiry of the period of ten years beginning with—
 - (aa) the date on which the last such notice was given to the trustees of the scheme;
 - (bb) the date which is the last permitted notice time falling within subparagraph (b)(i), or
 - (cc) in a case where the approval of alternative arrangements for the scheme has ceased to have effect by virtue of paragraph (1)(d)(ii) of regulation 20, the date on which it did so,whichever is the latest; or
 - (ii) where the latest of the following dates—
 - (aa) the date on which the last such notice was given to the trustees of the scheme;
 - (bb) the date which is the last permitted notice time falling within subparagraph (b)(i), or
 - (cc) in a case where the approval of alternative arrangements for the scheme has ceased to have effect by virtue of paragraph (1)(d)(ii) of regulation 20, the date on which it did so,

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occurs on or after 6th October 2002, any time after the expiry of the period of four years beginning with that latest date;

(d) at any other time provided that the trustees of the scheme have consented to the employer giving the notice under paragraph (1)(a) at that time.]

(3) In paragraph (1) the “approval period”, in relation to arrangements, means, subject to paragraph (4), the period of six months beginning—

(a) in a case where notice is given under paragraph (1)(a) within the period mentioned in paragraph (2)(a)(i), with the commencement date or, as the case may be, the date on which section 16 first applies to the scheme;

(b) in a case where such notice is given within the period mentioned in paragraph (2)(a)(ii) or (b)(i), with the date on which notice under regulation 20(3) is given to the employer; and

(c) otherwise, with the date on which notice is given under paragraph (1)(a).

(4) In the case of a scheme to which section 16 has ceased to apply and then reappplies (otherwise than by virtue of section 17(1) ceasing to apply to it or its ceasing to be a relevant scheme) paragraphs (2) and (3) apply as if—

(a) section 16 first applied to the scheme at the time when that section reappplies to it; and

(b) no notices had been given in relation to the scheme under paragraph (1)(a) before that time.

(5) The statutory consultation procedure in respect of proposals under section 17(1) for the continuation of existing or adoption of new alternative arrangements is set out in Schedule 1 (which also sets out the conditions which must be satisfied for the approval of such arrangements).

(6) In that Schedule “the proposer”, in relation to such arrangements, means the employer.

F22 Word in reg. 9(2)(a)(ii) omitted (6.10.2002) by virtue of [The Occupational Pension Schemes \(Member-nominated Trustees and Directors\) Amendment Regulations 2002 \(S.I. 2002/2327\)](#), regs. 1(1), **3(a)(i)**

F23 Reg. 9(2)(a)(iii)(iv) substituted for reg. 9(2)(a)(iii) (6.10.2002) by [The Occupational Pension Schemes \(Member-nominated Trustees and Directors\) Amendment Regulations 2002 \(S.I. 2002/2327\)](#), regs. 1(1), **3(a)(ii)**

F24 Words in reg. 9(2)(b)(ii) substituted (6.4.1997) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1997 \(S.I. 1997/786\)](#), reg. 1, **Sch. 1 para. 5(7)(a)** (with Sch. 1 para. 5(15))

F25 Reg. 9(2)(c)(d) substituted for reg. 9(2)(c) (6.10.2002) by [The Occupational Pension Schemes \(Member-nominated Trustees and Directors\) Amendment Regulations 2002 \(S.I. 2002/2327\)](#), regs. 1(1), **3(b)**

Time limits for making alternative arrangements under section 17

10.—(1) Where, by virtue of section 17(1) (alternative arrangements for selecting trustees), section 16 does not apply to a trust scheme, the trustees must secure that the alternative arrangements are made no later than is necessary to secure that trustees can be selected immediately in pursuance of the arrangements to fill any vacancy arising after the appropriate time.

(2) In paragraph (1), “the appropriate time” means—

(a) in a case where, immediately before the approval of the alternative arrangements, section 16 applied to the scheme, the expiry of the period of six months beginning with the date on which [^{F26}the employer gives notice to the trustees under regulation 9(1)(b)(ii) in respect of the approval of the arrangements];

(b) in a case where, immediately before the approval of the alternative arrangements, section 16 did not apply to the scheme—

- (i) if the approval is for the continuation of existing alternative arrangements, the date on which the employer gives notice to the trustees under regulation 9(1)(b)(ii) in respect of the approval of the arrangements; and
- (ii) otherwise, the expiry of the period of six months beginning with that date.

F26 Words in [reg. 10\(2\)\(a\)](#) substituted (30.12.1999) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1999 \(S.I. 1999/3198\)](#), regs. 1(1), 7(3)

Power of trustees to modify schemes by resolution

Modification of schemes affected by requirements

11. Where a trust scheme to which section 16 applies provides for a maximum total number of trustees (or a maximum which applies in certain circumstances), the trustees may by resolution modify the scheme with a view to increasing that maximum by not more than the number of member-nominated trustees for which provision must be made in accordance with subsection (6) of that section (on the assumption that the total number of trustees is increased in accordance with the resolution).

Cessation of application of requirements

Cessation of application of requirements

12.—(1) Subject to any provision of a trust scheme, the fact that section 16 has ceased to apply to the scheme shall not terminate the trusteeship of any member-nominated trustee of the scheme but, if he is a member of the scheme, he shall cease to be a trustee if he ceases to be a member.

(2) Where, at the time when section 22 (requirement for an independent trustee in cases of insolvency etc.) first applies to a scheme, one or more of the scheme's trustees are member-nominated trustees, then—

- (a) the period of office of any such trustee shall not expire on the date on which it would otherwise have done so but, if he is a member, it shall expire if he ceases to be one; and
- (b) if any such trustee ceases to be a trustee, the vacancy may be filled by a trustee appointed by a person who is an independent trustee for the purposes of section 23(1) (conditions for independence of a trustee in cases of insolvency etc.).

PART III

MEMBER-NOMINATED DIRECTORS

Section 18 arrangements and rules

Implementation of requirements as to member-nominated directors: general

13.—(1) Subject to the following provisions of this regulation, a company to which section 18 (requirement for member-nominated directors) applies must secure—

- (a) that such arrangements as are required by section 18(1) are made; and
- (b) that member-nominated directors are required to be selected in pursuance of the appropriate rules,

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by such times as to secure that the number of such directors never falls below the number provided for by the arrangements in accordance with section 18(6).

- (2) Paragraph (1) does not apply during the period of six months beginning—
- (a) in the case of a company to which section 18 applies on the commencement date, with that date;
 - (b) in the case of a company to which section 18 first applies after the commencement date, with the date on which it first applies to the company;
 - (c) in the case of a company to which section 18 has ceased to apply and then reapplies (otherwise than by virtue of section 19(1) ceasing to apply to it or section 16 or 17(1) ceasing to apply to any relevant scheme), with the date on which section 18 reapplies to it; and
 - (d) if—
 - (i) before the expiry of the period of six months beginning with the date mentioned in paragraph (a), (b) or (c) the employer duly gives notice under regulation 15(1)(a) that he intends to propose alternative arrangements, but
 - (ii) the conditions imposed by regulation 15(1)(b) for the application of section 19(1) are not satisfied within the approval period,

with the opt-out failure date.

(3) A deficiency in the number of member-nominated directors provided for by the arrangements in accordance with section 18(6) is not a breach of the requirement in paragraph (1) during the appropriate excepted period—

- (a) if a vacancy for such a director has not been filled because insufficient nominations are received;
- (b) if such a director has ceased to be a director otherwise than by virtue of the expiry of his period of office; or
- (c) if the number of members any relevant scheme comprises increases from less than 100 at the end of one scheme year to 100 or more at the end of the next scheme year (“the second year”).

(4) In paragraph (3) “the appropriate excepted period” means—

- (a) where paragraph (3)(a) applies, the period during which, if there had been sufficient nominations for a member-nominated director to be selected by nomination, his selection would have had effect in accordance with the arrangements made under section 18(5) (periods of office) for the company;
- (b) where paragraph (3)(b) applies, the period of six months beginning with the cessation or the remainder of the director’s period of office, if less;
- (c) where paragraph (3)(c) applies, the first six months of the year following the second year.

(5) Where section 18 applies to a company by virtue of its being trustee of a relevant scheme and—

- (a) another company is also a trustee of the scheme; or
- (b) the company became trustee in place of a company to which section 18 applied by virtue of its being trustee of the scheme,

then paragraph (2) has effect—

- (i) with the omission of paragraphs (2)(b) and (c); and
- ^{F27}(ii) with the omission from paragraph (2)(d)(i) of the words “(b) or (c)”;

F27 Reg. 13(5)(ii) substituted (6.4.1997) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1997 \(S.I. 1997/786\)](#), reg. 1, [Sch. 1 para. 5\(8\)](#) (with [Sch. 1 para. 5\(15\)](#))

Appropriate rules as to the selection and eligibility of member-nominated directors

14.—(1) A company to which section 18 applies or to which it would apply apart from section 19(1) or regulation 6 may at any time propose appropriate rules in respect of the company.

(2) The statutory consultation procedure for such rules is set out in Schedule 1 (which also sets out the conditions which must be satisfied for the approval of such rules).

(3) In that Schedule “the proposer”, in relation to such rules, means the company.

(4) The prescribed rules for the purposes of section 20(1)(b) (which are the appropriate rules for a company to which section 18 applies, if no other rules are for the time being approved) are the rules applicable by virtue of Part II of Schedule 2.

Proposals by employers for alternative arrangements

Proposals by the employer for alternative arrangements under section 19

15.—(1) Section 19(1) (by virtue of which the requirements in section 18 as to member-nominated directors do not apply to a company in certain circumstances) only applies if—

(a) the employer gives notice in writing to the company at a permitted notice time that he intends to propose alternative arrangements; and

(b) before the expiry of the approval period—

(i) alternative arrangements are approved; and

(ii) the employer gives notice in writing to the company of their approval, stating in the notice what those arrangements are and specifying all such matters relating to them as are required to be specified in a notice under paragraph 5(3) of Schedule 1.

(2) In paragraph (1)(a) “permitted notice time” means, subject to paragraph (4)—

(a) in the case of the first notice to be given in relation to a company under paragraph (1)(a)—

(i) any time during the period of one month beginning with the commencement date or, if section 18 does not apply to the company on that date, before or during the period of one month beginning with the date it first applies to it;

(ii) if the approval of appropriate rules under section 18 for the company is ceasing to have effect by virtue of paragraph (1)(h) of regulation 20, any time during the period of one month beginning with the date on which notice is given to the employer under paragraph (3) of that regulation; ^{F28}...

^{F29}(iii) except where paragraph (iv) applies, any time not less than ten years after the date applicable under paragraph (i) or, if such a notice as is mentioned in paragraph (ii) has been given, after the date mentioned in that paragraph; or

(iv) any time not less than four years after—

(aa) the date section 18 first applies to the company, where this occurs on or after 6th October 2002; or

(bb) the date mentioned in paragraph (ii) if such a notice as is mentioned in that paragraph is given on or after 6th October 2002;]

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- (b) in the case of a second or subsequent notice under paragraph (1)(a) which is given in respect of a company to which by virtue of section 19(1) section 18 does not apply—
- (i) if the approval of alternative arrangements for the company is ceasing to have effect by virtue of paragraph (1)(h) of regulation 20, any time during the period of one month beginning with the date on which notice is given to the employer under paragraph (3) of that regulation; and
 - (ii) ^{F30}in any other case (except where the approval of alternative arrangements ceases to have effect by virtue of paragraph (1)(f)(ii) of regulation 20), any time not more than twelve nor less than six months before the date on which the approval of the alternative arrangements under section 19(1) ceases to have effect;
- ^{F31}(c) in the case of a second or subsequent notice under paragraph (1)(a) which is given in respect of a company to which section 18 applies—
- (i) except where paragraph (ii) applies, any time after the expiry of the period of ten years beginning with—
 - (aa) the date on which the last such notice was given to the company;
 - (bb) the date which is the last permitted notice time falling within sub-paragraph (b)(i), or
 - (cc) in a case where the approval of alternative arrangements for the scheme has ceased to have effect by virtue of paragraph (1)(f)(ii) of regulation 20, the date on which it did so,
 whichever is the latest; or
 - (ii) where the latest of the following dates—
 - (aa) the date on which the last such notice was given to the company;
 - (bb) the date which is the last permitted notice time falling within sub-paragraph (b)(i), or
 - (cc) in a case where the approval of alternative arrangements for the scheme has ceased to have effect by virtue of paragraph (1)(f)(ii) of regulation 20, the date on which it did so,
 occurs on or after 6th October 2002, any time after the expiry of the period of four years beginning with that latest date;
 - (d) at any other time provided that the company has consented to the employer giving the notice under paragraph (1)(a) at that time.]
- (3) In paragraph (1) the “approval period”, in relation to arrangements, means, subject to paragraph (4), the period of six months beginning—
- (a) in a case where notice is given under paragraph (1)(a) within the period mentioned in paragraph (2)(a)(i), with the commencement date or, as the case may be, the date on which section 18 first applies to the company;
 - (b) in a case where such notice is given within the period mentioned in paragraph (2)(a)(ii) or (b)(i), with the date on which notice under regulation 20(3) is given to the employer; and
 - (c) otherwise, with the date on which notice is given under paragraph (1)(a).
- (4) In the case of a company to which section 18 has ceased to apply and then reapplies (otherwise than by virtue of section 19(1) ceasing to apply to it or section 16 or 17(1) ceasing to apply to any relevant scheme), paragraphs (2) and (3) apply as if—
- (a) section 18 first applied to the company at the time when that section reapplies to it; and
 - (b) no notices had been given in relation to the company under paragraph (1)(a) before that time.

(5) The statutory consultation procedure in respect of proposals under section 19(1) for the continuation of existing or adoption of new alternative arrangements is set out in Schedule 1 (which also sets out the conditions which must be satisfied for the approval of such arrangements).

(6) In that Schedule “the proposer”, in relation to such arrangements, means the employer.

- F28** Word in reg. 15(2)(a)(ii) omitted (6.10.2002) by virtue of [The Occupational Pension Schemes \(Member-nominated Trustees and Directors\) Amendment Regulations 2002 \(S.I. 2002/2327\)](#), regs. 1(1), [4\(a\)\(i\)](#)
- F29** Reg. 15(2)(a)(iii)(iv) substituted for reg. 15(2)(a)(iii) (6.10.2002) by [The Occupational Pension Schemes \(Member-nominated Trustees and Directors\) Amendment Regulations 2002 \(S.I. 2002/2327\)](#), regs. 1(1), [4\(a\)\(ii\)](#)
- F30** Words in reg. 15(2)(b)(ii) substituted (6.4.1997) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1997 \(S.I. 1997/786\)](#), reg. 1, [Sch. 1 para. 5\(9\)\(a\)](#) (with [Sch. 1 para. 5\(15\)](#))
- F31** Reg. 15(2)(c)(d) substituted for reg. 15(2)(c) (6.10.2002) by [The Occupational Pension Schemes \(Member-nominated Trustees and Directors\) Amendment Regulations 2002 \(S.I. 2002/2327\)](#), regs. 1(1), [4\(b\)](#)

Time limits for making alternative arrangements under section 19

16.—(1) Where, by virtue of section 19(1) (alternative arrangements for selecting directors), section 18 does not apply to a company, the company must secure that the alternative arrangements are made no later than is necessary to secure that directors can be selected immediately in pursuance of the arrangements to fill any vacancy arising after the appropriate time.

(2) In paragraph (1), “the appropriate time” means—

- (a) in a case where, immediately before the approval of the alternative arrangements, section 18 applied to the company, the expiry of the period of six months beginning with the date on which [^{F32}the employer gives notice to the company under regulation 15(1)(b)(ii) in respect of the approval of the arrangements];
- (b) in a case where, immediately before the approval of the alternative arrangements section 18 did not apply to the company—
- (i) if the approval is for the continuation of existing alternative arrangements, the date on which the employer gives notice to the company under regulation 15(1)(b)(ii) in respect of the approval of the arrangements; and
- (ii) otherwise, the expiry of the period of six months beginning with that date.

- F32** Words in reg. 16(2)(a) substituted (30.12.1999) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1999 \(S.I. 1999/3198\)](#), regs. 1(1), [7\(4\)](#)

Cessation of application of requirements

Cessation of application of requirements

17. Subject to any provision made by the articles of association of a company, the fact that section 18 has ceased to apply to the company shall not terminate the directorship of any member-nominated director of the company but, if he is a member of the scheme, he shall cease to be a director if he ceases to be a member.

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Aggregation of schemes

Aggregation of linked schemes

18. Where a company is a trustee of two or more schemes which are treated as a single scheme by virtue of section 18(8) ^{F33}..., this Part and all other provisions of these regulations as they have effect in relation to such a company and such schemes (except regulations 4 to 6) apply as if those schemes were a single scheme and the members of each of the schemes were members of that scheme.

F33 Words in [reg. 18](#) omitted (12.1.1998) by virtue of [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) \(No. 2\) Regulations 1997 \(S.I. 1997/3038\)](#), regs. 1, 3

PART IV

GENERAL AND SUPPLEMENTARY PROVISIONS

Modifications for special cases

Modifications

19. Schedule 3 has effect for the purpose of modifying the provisions there mentioned in their application to certain cases, including—

- (a) schemes with members in employments under different employers;
- (b) schemes where the employer is sole trustee;
- (c) companies to which section 18 applies which are the employer in relation to the relevant scheme;
- (d) schemes without active members.

General provisions about rules and arrangements

Cessation of approval of appropriate rules and alternative arrangements

20.—(1) The approval of appropriate rules or alternative arrangements under the statutory consultation procedure ceases to have effect (but without prejudice to the validity or term of the appointment of any person selected in accordance with them)—

^{F34}(a) at the expiry of—

- (i) except where paragraph (ii) applies, the period of ten years beginning with the date on which the rules or arrangements were treated as approved under paragraph 8 or, as the case may be, paragraph 9 of Schedule 1; or
- (ii) where, in the case of an approval of arrangements under section 17 or 19, the employer gives notice in accordance with regulation 9(1)(a) or 15(1)(a) on or after 6th October 2002, the period of four years beginning with the date on which the arrangements were treated as approved under paragraph 8 or, as the case may be, paragraph 9 of Schedule 1;]

^{F35}(b) on the date on which fresh rules or arrangements are treated as approved under paragraph 8 or, as the case may be, paragraph 9 of Schedule 1;]

- (c) in the case of the approval of rules applying to a scheme to which section 16 ceases to apply, on its ceasing;
 - [^{F36}(d) in the case of an approval of arrangements under section 17—
 - (i) on the date on which the employer gives notice under regulation 9(1)(b)(ii) in respect of the approval of new arrangements or the fresh approval of the existing arrangements; or
 - (ii) on the date on which the employer gives notice to the trustees of the scheme that he wishes to withdraw the approved arrangements;]
 - (e) in the case of the approval of rules applying to a company to which section 18 ceases to apply, on its ceasing;
 - [^{F37}(f) in the case of an approval of arrangements under section 19—
 - (i) on the date on which the employer gives notice under regulation 15(1)(b)(ii) in respect of the approval of new arrangements or the fresh approval of the existing arrangements; or
 - (ii) on the date on which the employer gives notice to the company that he wishes to withdraw the approved arrangements;]
 - (g) in the case of rules applying to a scheme to which section 16 applies or arrangements under section 17, if—
 - (i) a relevant event has occurred in relation to the scheme to which the rules or arrangements apply; and
 - (ii) the trustees of the scheme have given notice to the employer under paragraph (3) that this paragraph is to apply,
at the expiry of the period of six months beginning with the date on which that notice is given or, if paragraph (4) applies, with the opt-out failure date; or
 - (h) in the case of rules applying to a company to which section 18 applies or arrangements under section 19, if—
 - (i) a relevant event has occurred in relation to a scheme which is a relevant scheme in relation to the company to which the rules or arrangements apply; and
 - (ii) the trustees of the scheme have given notice to the employer under paragraph (3) that this paragraph is to apply,
at the expiry of the period of six months beginning with the date on which that notice is given or, if paragraph (5) applies, with the opt-out failure date, whichever occurs first.
- (2) For the purposes of paragraph (1)(g) and (h), a relevant event occurs in relation to a scheme if, as a result of the event—
- (a) the accrued rights of a group of members have been or are to be transferred to or from the scheme in such circumstances as are mentioned in regulation 12(2) of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 ^{M12} (transfers without consent);
 - (b) any person becomes or ceases to be the employer in relation to the scheme; or
 - (c) a company which is the employer in relation to the scheme becomes a wholly-owned subsidiary (within the meaning of section 736 of the Companies Act 1985 ^{M13}) of another company which is not the employer of persons in the description or category of employment to which the scheme relates.
- (3) Where—
- (a) a relevant event has occurred in relation to a scheme; and

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- (b) the trustees consider that as a result of that event it would be detrimental to the interests of the members of the scheme for the approval of the appropriate rules or, as the case may be, the alternative arrangements to continue to have effect,

they may give notice in writing to the employer and, in the case of rules, to the eligible members that paragraph (1)(g) or, as the case may be, paragraph (1)(h) applies.

(4) This paragraph applies where the employer duly gives notice under regulation 9(1)(a) during the period of one month beginning with the date on which the notice under paragraph (3) is given that he intends to propose alternative arrangements, but—

- (a) the employer gives the trustees notice in writing within the approval period that he is not proceeding with the proposals; or
 (b) the conditions imposed by regulation 9(1)(b) for the application of section 17(1) are not satisfied within the approval period.

(5) This paragraph applies where the employer duly gives notice under regulation 15(1)(a) during the period of one month beginning with the date on which the notice under paragraph (3) is given that he intends to propose alternative arrangements, but—

- (a) the employer gives the company notice in writing within the approval period that he is not proceeding with the proposals; or
 (b) the conditions imposed by regulation 15(1)(b) for the application of section 19(1) are not satisfied within the approval period.

- F34** Reg. 20(1)(a) substituted (6.10.2002) by [The Occupational Pension Schemes \(Member-nominated Trustees and Directors\) Amendment Regulations 2002 \(S.I. 2002/2327\)](#), regs. 1(1), **5(a)**
- F35** Reg. 20(1)(b) substituted (6.10.2002) by [The Occupational Pension Schemes \(Member-nominated Trustees and Directors\) Amendment Regulations 2002 \(S.I. 2002/2327\)](#), regs. 1(1), **5(b)**
- F36** Reg. 20(1)(d) substituted (6.4.1997) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1997 \(S.I. 1997/786\)](#), reg. 1, **Sch. 1 para. 5(10)(a)** (with Sch. 1 para. 5(15))
- F37** Reg. 20(1)(f) substituted (6.4.1997) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1997 \(S.I. 1997/786\)](#), reg. 1, **Sch. 1 para. 5(10)(b)** (with Sch. 1 para. 5(15))

Marginal Citations

- M12** [S.I. 1991/167](#). Regulation 12(2) was substituted by regulation 35 of the [Occupational and Personal Pension Schemes \(Miscellaneous Amendments\) Regulations \(S.I. 1992/1531\)](#).
- M13** [1985 c.6](#).

Appropriate rules in cases where insufficient nominations are received

21. For the purposes of section 20(4) (by virtue of which where vacancies for member-nominated trustees or member-nominated directors are not filled because insufficient nominations are received, the next period in which persons may be nominated and selected as such trustees or directors is to be determined by the appropriate rules), the next period must end at the time when, if there had been sufficient nominations for a person to be selected by nomination, his selection would have ceased to have effect in accordance with the arrangements made under section 16(5) or, as the case may be, section 18(5).

Miscellaneous and supplementary

Records

22.—(1) All such records shall be kept by the trustees of a trust scheme of the steps taken by them to secure—

- (a) that such arrangements as are required to be made by section 16(1) or 17(2) are made; and
- (b) that such arrangements as are required by section 16(1) or 17(2) to be implemented, or the appropriate rules, are implemented,

as are adequate for enabling it to be determined whether all such steps as are reasonable to secure compliance have been taken by them.

(2) All such records shall be kept by a company which is a trustee of a trust scheme as to—

- (a) the making of such arrangements as are required to be made by section 18(1) or 19(2); and
- (b) the implementation of such arrangements as are required by section 18(1) or 19(2) to be implemented, or the appropriate rules,

as are adequate for enabling it to be determined whether they have been made or, as the case may be, implemented.

(3) All such records shall be kept by employers of the steps taken by them to comply with the statutory consultation procedure specified in Schedule 1 as are adequate for enabling it to be determined whether they have complied with that procedure.

Notices

23.—^{F38}(1) Subject to paragraphs (2) and (3), any notice to be given to a person under these regulations may be given only by being delivered to him or being left at or posted to his latest address known to the trustees of the scheme, and a notice which is posted shall be treated as having been given on the day it was posted.]

(2) For the purposes of—

- (a) regulation 20(3),
- (b) paragraph 2 of Schedule 1, as it applies in respect of proposals for appropriate rules, and
- (c) paragraphs 1 and 2 of Schedule 2,

notice shall be deemed to have been given to a person if any procedure has been followed which appears to the trustees of the scheme to be adequate to draw his attention to it.

(3) For the purposes of paragraph 2 of Schedule 1, as it applies in respect of proposals for alternative arrangements, notice shall be deemed to have been given to a person if any procedure has been followed which appears to the proposer (within the meaning of that Schedule) and the trustees of the scheme to be adequate to draw his attention to it.

(4) Where, apart from this paragraph, any provision of these regulations would provide for any person acting in one capacity to give notice both to himself (acting in another capacity) and to another person, then he shall be deemed duly to have given notice if he duly gives notice to that other person.

F38 Reg. 23(1) substituted (6.4.1997) by [The Personal and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 1997 \(S.I. 1997/786\)](#), reg. 1, **Sch. 1 para. 5(11)** (with Sch. 1 para. 5(15))

Transitional provisions

24. Schedule 4 has effect for the purpose of making transitional provision.

Changes to legislation: *There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 1996. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)*

Signed by authority of the Secretary of State for Social Security.

Oliver Heald
Parliamentary Under-Secretary of State,
Department of Social Security

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 1996. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- Sch.1 para.9(3) applied by [S.I. 1996/1216 reg.19Sch.3 para.2\(a\)](#)
- Sch.2 para.1(3)(a) amended by [S.I. 1996/1216 reg.19Sch.3 para.2\(b\)\(i\)](#)
- Sch.2 para.1(3)(b) substituted by [S.I. 1996/1216 reg.19Sch.3 para.2\(b\)\(ii\)](#)
- Sch.4 paras.4(1)6 amended by [S.I. 1996/1216 reg.19Sch.3 para.3\(7\)\(a\)](#)
- Sch.4 para.6(c) amended by [S.I. 1996/1216 reg.19Sch.3 para.3\(7\)\(b\)](#)
- Sch.4 applied by [S.I. 1996/1216 reg.19Sch.3 para.2\(a\)](#)
- reg.20(1)(g)(ii) amended by [S.I. 1996/1216 reg.19Sch.3 para.2\(5\)\(a\)\(b\)](#)
- reg.16(2)(b)(i) applied by [S.I. 1996/1216 reg.19Sch.3 para.2\(a\)](#)
- reg.9 applied by [S.I. 1996/1216 reg.19Sch.3 para.2\(a\)](#)
- reg.9(1)(a) amended by [S.I. 1996/1216 reg.19Sch.3 para.2\(3\)\(a\)\(i\)](#)
- reg.9(1)(b)(ii) rep.in pt. by [S.I. 1996/1216 reg.19Sch.3 para.2\(3\)\(a\)\(ii\)](#)
- reg.9(2)(c)(i) rev.in pt. by [S.I. 1996/1216 reg.19Sch.3 para.2\(3\)\(b\)\(i m](#)
- reg.9(3) substituted by [S.I. 1996/1216 reg.19Sch.3 para.2\(3\)\(c\)](#)
- reg.10(2)(b)(i) amended by [S.I. 1996/1216 reg.19Sch.3 para.2\(4\)](#)
- reg.10(2)(b)(i) applied by [S.I. 1996/1216 reg.19Sch.3 para.2\(a\)](#)
- reg.13(2)(d) applied by [S.I. 1996/1216 reg.19Sch.3 para.2\(a\)](#)
- reg.15 applied by [S.I. 1996/1216 reg.19Sch.3 para.2\(a\)](#)
- reg.15(1)(a) amended by [S.I. 1996/1216 reg.19Sch.3 para.3\(3\)\(a\)\(i\)](#)
- reg.15(1)(b)(ii) revoked by [S.I. 1996/1216 reg.19Sch.3 para.3\(3\)\(a\)\(i 0](#)
- reg.15(2)(c)(i) rev.in pt. by [S.I. 1996/1216 reg.19Sch.3 para.3\(3\)\(b\)\(i ii\)](#)
- reg.15(3) substituted by [S.I. 1996/1216 reg.19Sch.3 para.3\(3\)\(c\)](#)
- reg.16(2)(b)(i) amended by [S.I. 1996/1216 reg.19Sch.3 para.3\(4\)](#)
- reg.20(1) applied by [S.I. 1996/1216 reg.19Sch.3 para.2\(a\)](#)
- reg.20(1)(d) amended by [S.I. 1996/1216 reg.19Sch.3 para.2\(5\)\(a\)\(b\)](#)
- reg.20(1)(f) amended by [S.I. 1996/1216 reg.19Sch.3 para.3\(5\)\(a\)](#)
- reg.20(1)(h)(ii) amended by [S.I. 1996/1216 reg.19Sch.3 para.3\(5\)\(b\)](#)
- reg.20(3) applied by [S.I. 1996/1216 reg.19Sch.3 para.2\(a\)](#)
- reg.20(3) rep.in pt. by [S.I. 1996/1216 reg.19Sch.3 para.2\(5\)\(c\)](#)
- reg.20(3) rev.in pt. by [S.I. 1996/1216 reg.19Sch.3 para.3\(5\)\(c\)](#)
- reg.20(4) applied by [S.I. 1996/1216 reg.19Sch.3 para.2\(a\)](#)
- reg.20(4)(a) revoked by [S.I. 1996/1216 reg.19Sch.3 para.2\(5\)\(d\)](#)
- reg.20(5) applied by [S.I. 1996/1216 reg.19Sch.3 para.2\(a\)](#)
- reg.20(5)(a) revoked by [S.I. 1996/1216 reg.19Sch.3 para.3\(5\)\(d\)](#)
- reg.22(3) applied by [S.I. 1996/1216 reg.19Sch.3 para.2\(a\)](#)
- reg.23(3) rev.in pt. by [S.I. 1996/1216 reg.19Sch.3 para.2\(6\)](#)

Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- Sch.4 para.3(1)(5) amended by [S.I. 1996/1216 reg.19Sch.3 para.2\(7\)\(a\)](#)
- Sch.4 para.3(5)(e) amended by [S.I. 1996/1216 reg.19Sch.3 para.2\(7\)\(b\)](#)
- reg.15(2)(a)(i)reg.15(2)(a)(ii)(b)(i) amended by [S.I. 1996/1216 reg.19Sch.3 para.3\(3\)\(b\)\(i\)\(ii\)](#)
- reg.13(2)(d) substituted by [S.I. 1996/1216 reg.19Sch.3 para.3\(2\)](#)
- reg.2 (defns. of alternative arrangements and opt- out failure date) applied by [S.I. 1996/1216 reg.19Sch.3 para.2\(a\)](#)

– reg.9(2)(a)(i)reg.9(2)(a)(ii)(b)(i) amended by S.I. 1996/1216 reg.19Sch.3 para.2(3)
(b)(i)(ii)