
STATUTORY INSTRUMENTS

2022 No. 277

PENSIONS

The Occupational Pension Schemes (Master Trusts) (Amendment) Regulations 2022

Made - - - - *10th March 2022*
Laid before Parliament *14th March 2022*
Coming into force in accordance with regulation 1(1)

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 43(a), 54(5) and 54(6) of, and paragraphs 1(1) and 1(5) of Schedule 18 to, the Pensions Act 2014⁽¹⁾.

In accordance with paragraph 8 of Schedule 18 to that Act, the Secretary of State has consulted with such persons as the Secretary of State considers appropriate.

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Occupational Pension Schemes (Master Trusts) (Amendment) Regulations 2022 and come into force immediately after regulation 10(1) of the Pension Schemes Act 2021 (Commencement No. 3 and Transitional and Saving Provisions) Regulations 2021⁽²⁾ (saving provision in respect of the definition of “administration charge”) ceases to have effect⁽³⁾.

(2) These Regulations extend to England and Wales and Scotland.

Amendment of the Occupational Pension Schemes (Master Trusts) Regulations 2018

2.—(1) Regulation 25 of the Occupational Pension Schemes (Master Trusts) Regulations 2018⁽⁴⁾ (administration charges) is amended as follows.

(2) In the body of the regulation, the existing text becomes paragraph (1).

(3) After paragraph (1)(d), for “.” substitute “; (e) costs solely attributable to holding physical assets.”.

(4) After paragraph (1) insert—

(1) 2014 c. 19. Paragraph 1(1) was amended by section 48 of, and paragraphs 23, 25(1) and (2) of Schedule 3 to, the Pension Schemes Act 2021 (c. 1). Paragraph 1(5) was amended by section 127(2) of the Pension Schemes Act 2021.
(2) S.I. 2021/950.
(3) See regulation 10(2) of S.I. 2021/950.
(4) S.I. 2018/1030.

“(2) For the purposes of this regulation, the costs solely attributable to holding a physical asset include—

- (a) the costs of managing and maintaining the asset;
- (b) fees for valuing the asset;
- (c) the cost of insuring the asset;
- (d) ground rent, charges, rates, taxes and utilities bills incurred in relation to the asset.

(3) In this regulation—

- (a) “commodity” means any goods of a fungible nature that are capable of being delivered, including metals and their ores and alloys, agricultural products and energy such as electricity, but not including cash or financial instruments (within the meaning of article 3 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001⁽⁵⁾);
- (b) “physical asset” means an asset whose value depends on its physical form, including—
 - (i) land,
 - (ii) buildings and other structures on land or sea,
 - (iii) vehicles, ships, aircraft or rolling stock, and
 - (iv) commodities.”

Signed by authority of the Secretary of State for Work and Pensions

10th March 2022

Chloe Smith
Minister of State
Department for Work and Pensions

(5) S.I. 2001/544. The definition of financial instrument was inserted by S.I. 2006/3384, and amended by S.I. 2017/488 and S.I. 2019/632. There are other amendments to this article which are not relevant to this instrument.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Occupational Pension Schemes (Master Trusts) Regulations 2018 (S.I. 2018/1030) (“the Master Trusts Regulations”).

Regulation 2 amends regulation 25 of the Master Trusts Regulations by adding costs solely attributable to holding physical assets to the list of administration charges that must not apply in relation to members of an authorised Master Trust scheme.

This change is necessary following the commencement of section 127(2) of the Pension Schemes Act 2021 (c. 1), which makes an amendment to the definition of “administration charge” in paragraph 1(5) of Schedule 18 to the Pensions Act 2014 (c. 19), to clarify its scope. This amended definition would apply to authorised Master Trust schemes by virtue of section 39(1) of the Pension Schemes Act 2017 (c. 17), immediately after the saving provision contained in regulation 10(1) of the Pension Schemes Act 2021 (Commencement No. 3 and Transitional and Saving Provisions) Regulations 2021 (S.I. 2021/950) ceases to have effect on 5th April 2022. The amendment ensures that costs solely attributable to holding physical assets will remain excluded from the administration charges that apply in relation to members of an authorised Master Trust scheme under regulation 25 of the Master Trusts Regulations.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.