



Pension Schemes Act 2021

2021 CHAPTER 1

PART 1 **E+W+S**

COLLECTIVE MONEY PURCHASE BENEFITS

Members' rights

25 **Transfer rights** **E+W+S**

- (1) Chapter 1 of Part 4ZA of the Pension Schemes Act 1993 (transfer rights: general) is amended as follows.
- (2) In section 93 (scope of Chapter 1)—
 - (a) in subsection (7) (crystallisation events), in paragraph (b), after “money purchase benefits” insert “ other than collective money purchase benefits ”;
 - (b) after subsection (10) insert—

“(10A) Where a pension scheme is divided into sections, each section that is a collective money purchase scheme for the purposes of Part 1 of the Pension Schemes Act 2021 (see section 1(2)(b) of that Act) is to be treated as a separate scheme for the purposes of this Chapter.”
- (3) In section 97 (calculation of cash equivalents), after subsection (3) insert—

“(3ZA) Where, in the case of an application from a member under section 95 that relates to money purchase benefits that are collective money purchase benefits, regulations under section 99(2)(c) provide for a period longer than 6 months, subsection (3)(b) is to be read as if the reference to 6 months were a reference to that longer period.”
- (4) In section 99 (trustees' duties after exercise of option), in subsection (2) (period in which to carry out what the member requires)—
 - (a) omit the “and” at the end of paragraph (a);
 - (b) in paragraph (b), after “money purchase benefits” insert “ other than collective money purchase benefits ”;

Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021, Section 25. (See end of Document for details)

- (c) at the end of paragraph (b) insert “, and
 - (c) in the case of an application which relates to money purchase benefits that are collective money purchase benefits, within 6 months beginning with the date of the application or such longer period beginning with that date as may be prescribed.”

(5) After section 99 insert—

“99A Trustees' further duties: collective money purchase benefits

- (1) If the trustees receive an application under section 95 relating to money purchase benefits that are collective money purchase benefits—
 - (a) they must give the member notice in writing of the cash equivalent that relates to those benefits, and
 - (b) they must not without the written consent of the member enter into an agreement with a third party to use the member's cash equivalent in a way specified in section 95(2) before the end of the period mentioned in subsection (2).
- (2) The period referred to in subsection (1)(b) is—
 - (a) the period of 3 weeks beginning with the day after the day on which the notice is given, or
 - (b) such other period as may be specified in regulations.
- (3) Any action taken in contravention of subsection (1)(b) is void.”
- (6) In section 100B (meaning of “scheme rules”: occupational pension schemes), in subsection (2)—
 - (a) in paragraph (a), at the end insert—
 - “(xv) regulations made under section 18(4) of or paragraph 1(6) of Schedule 2 to the Pension Schemes Act 2021;
 - (xvi) sections 34, 39, 41, 42 and 45 of the Pension Schemes Act 2021;”;
 - (b) in paragraph (b), at the end insert—
 - “(xii) sections 18(7)(b), 34(5), 39(6), 41(6), 42(2) and 45(5) of and paragraph 1(7) of Schedule 2 to the Pension Schemes Act 2021.”

Commencement Information

- I1** S. 25 in force at Royal Assent for specified purposes, see s. 131(3)(a)
- I2** S. 25 in force at 1.8.2022 in so far as not already in force by S.I. 2022/721, reg. 3(a)

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