
STATUTORY INSTRUMENTS

2015 No. 879

**The Occupational Pension Schemes
(Charges and Governance) Regulations 2015**

PART 3

CHAPTER 1

GOVERNANCE OF RELEVANT SCHEMES

Requirements relating to default arrangement

20. In the Occupational Pension Schemes (Investment) Regulations 2005 ^{M1}—

(a) in regulation 1(2) (interpretation) insert the following in the appropriate places alphabetically—

““default arrangement”, means an arrangement, within the meaning of regulation 3 of the Occupational Pension Schemes (Charges and Governance) Regulations 2015 (default arrangement) which would be a default arrangement within the meaning of that regulation if that regulation were modified as follows-

(a) in paragraph (1)(a) omit “qualifying”, and for “relevant jobholders” substitute “workers”;

(b) in paragraph (2)(b) omit “subject to paragraph (3),”;

(c) omit paragraphs (3) and (4); and

(d) in paragraph (8)-

(i) in the definition of “relevant date” omit the words after “regulation 1(2)”;
and

(ii) omit the definitions of “relevant jobholder” and “staging date”;

“relevant scheme” has the same meaning as in the Occupational Pension Schemes (Administration) Regulations 1996;”;

(b) after regulation 2 (statement of investment principles) insert—

“Additional requirements in relation to default arrangement

2A.—(1) The trustees or managers of a relevant scheme must prepare a statement of the investment principles governing decisions about investments for the purposes of the default arrangement, and that statement must be in writing and must cover at least the following matters—

(a) the aims and objectives of the trustees or managers in respect of such investments;

(b) their policies in relation to the matters mentioned in regulation 2(3)(b) in respect of the default arrangement; and

- (c) an explanation of how the aims and objectives mentioned in sub-paragraph (a) and the policies mentioned in sub-paragraph (b) (together “the default strategy”) are intended to ensure that assets are invested in the best interests of the group of persons consisting of relevant members and relevant beneficiaries.
- (2) The trustees or managers must review both the default strategy and the performance of the default arrangement—
 - (a) at least every three years; and
 - (b) without delay after any significant change in—
 - (i) investment policy; or
 - (ii) the demographic profile of relevant members.
 - (3) The trustees or managers must, in particular, review the extent to which the return on investments relating to the default arrangement (after deduction of any charges relating to those investments) is consistent with the aims and objectives of the trustees or managers in respect of the default arrangement.
 - (4) The trustees or managers must revise the statement prepared in accordance with paragraph (1) after every review unless they decide that no action is needed as a result of the review in paragraph (3).
 - (5) For the purposes of this regulation and regulation 4A, a person is a relevant member or a relevant beneficiary if assets relating to that member or, as the case may be, that beneficiary (as defined in regulation 4), are invested in the default arrangement.”;
- (c) after regulation 4 (investment by trustees) insert—

“Investments relating to a default arrangement

- 4A.** Where regulation 4(2) does not apply ^{M2} to a relevant scheme, the assets allocated to the scheme's default arrangement must be invested—
- (a) in the best interests of relevant members and relevant beneficiaries; and
 - (b) in the case of a potential conflict of interest, in the sole interest of those members and beneficiaries.”.

Marginal Citations

M1 S.I. 2005/3378.

M2 See regulation 7 of S.I. 2005/3378.

Changes to legislation:

There are currently no known outstanding effects for the The Occupational Pension Schemes (Charges and Governance) Regulations 2015, Section 20.