

*These notes refer to the Pension Schemes Act (Northern Ireland)  
2016 (c.1) which received Royal Assent on 15 January 2016*

# Pension Schemes Act (Northern Ireland) 2016

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### **Part 2 – Collective Benefits**

##### ***Section 21: Policy for dealing with a deficit or surplus***

Under this section, regulations may provide that trustees or managers of schemes offering collective benefits are required to have a policy for dealing with circumstances where the probability of a scheme meeting a target in relation to a collective benefit is outside of the required range of probability set out in regulations - termed in the Act as a “deficit” or “surplus”.

Trustees and managers will usually have some flexibility and discretion about how they react to a “deficit” or “surplus”, therefore the section sets out powers which may require the policy to contain provision for a “deficit” or “surplus” to be dealt with in one or more of a range of ways. Regulations may require the policy, to contain an explanation of the possible effect of the policy on members in different circumstances and to be drawn up with a view to achieving certain results within a specified period of time. Regulations may require consultation with members about the policy and any changes to it, and may make provision for the policy to be regularly reviewed or revised. Regulations may also make provision about the content of the policy and set out matters or principles that trustees must take into account or follow in setting the policy.