

SCHEDULE 6

Continuity Option 1: transfer out and winding up

Administration charges

18.—(1) This paragraph applies to the trustees or managers of any occupational pension scheme (the “proposed receiving scheme”) to which the trustees of a collective money purchase scheme that is pursuing continuity option 1 (the “transferring scheme”) propose to transfer the value of beneficiaries’ accrued rights to benefits under the scheme, under a default discharge option.

(2) The trustees of the proposed receiving scheme must provide to the Regulator, in accordance with this paragraph, a document setting out the level of administration charges that applies in relation to members of the proposed receiving scheme.

(3) The document must be provided before the end of 28 days beginning with the date on which the trustees of the proposed receiving scheme receive the notice under paragraph 11.

(4) The document must set out for each charge structure all levels of administration charges (including any discounted levels)—

- (a) for each arrangement, including a default arrangement, and any different levels in relation to any one arrangement;
- (b) for any additional charges, and the reason for imposing them;
- (c) for any third-party charges, and the reason for imposing them; and
- (d) for any other type of administration charge in the scheme, and the reason for imposing it.

(5) Where the proposed receiving scheme is a Master Trust scheme the charges must be set out as at the most recent date, not falling within a triggering event period in relation to the transferring scheme, on which the receiving scheme submitted a continuity strategy to the Regulator.

(6) In all other cases the charges must be set out as at the date the triggering event occurred in relation to the transferring scheme as a result of which continuity option 1 is being pursued.

(7) The levels must be set out on an annualised basis.

(8) Where there is a discounted level, the reason for charging the lower level must also be set out.

(9) The document must include a statement explaining—

- (a) how the scheme will be in compliance with section 45(2) of the Act (prohibition on increasing charges etc during triggering event period);
- (b) whether the scheme is to be liable for the costs mentioned in section 45(4) of the Act; and
- (c) if the scheme is to be liable for those costs, how it is to meet them.