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DRAFT STATUTORY INSTRUMENTS

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**2022 No.**

**The Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022**

**PART 4**

**Valuation and benefit adjustment**

**Actuarial valuations**

**19.**—(1) The trustees of a collective money purchase scheme must obtain—

- (a) an actuarial valuation in which the effective date falls within the period of one year beginning with the day on which the scheme begins operating; and
- (b) subsequent actuarial valuations in which the effective date is not more than one year after the effective date of the previous actuarial valuation.

(2) At any time prior to the certification of the actuarial valuation by the scheme actuary<sup>(1)</sup>, the trustees of a collective money purchase scheme may, where the scheme rules so permit, instruct the scheme actuary—

- (a) to adjust the value of the available assets of the scheme to account for changes in asset values since the effective date;
- (b) to adjust the value of the required amount to account for changes to the scheme membership or other relevant matters since the effective date.

(3) Before instructing the scheme actuary to make an adjustment described in paragraph (2) the trustees of a collective money purchase scheme must obtain written advice from the scheme actuary.

(4) An actuarial valuation prepared in accordance with section 20(1) of the Act (actuarial valuations) must contain the following—

- (a) the methods and assumptions used for the actuarial valuation and how these have been derived;
- (b) the scheme actuary's certification that the matters mentioned in section 20(2) of the Act have been determined in accordance with the scheme rules;
- (c) the total number of members enrolled in the scheme as at the effective date, including a breakdown of the number of active members, deferred members, pensioner members and survivors entitled to the payment of benefits under the scheme;
- (d) the average age of the active members, deferred members and pensioner members in the scheme as at the effective date;
- (e) the amount of all benefits in payment as at the effective date;
- (f) the effective date of the previous actuarial valuation;

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<sup>(1)</sup> See section 21 of the 2021 Act (certificate that actuarial valuation prepared in accordance with scheme rules).

- (g) the value of the available assets of the scheme and the required amount set out in the previous actuarial valuation;
  - (h) whether an adjustment to the rate or amount of the benefits provided under the scheme was required following the previous actuarial valuation;
  - (i) where an adjustment to the rate or amount of the benefits provided under the scheme was required following the previous actuarial valuation, the details of the adjustment and the date the adjustment was applied;
  - (j) a statement as to whether any multi-annual reduction is in effect as at the effective date;
  - (k) where a multi-annual reduction is in effect, the details of the arrangement including—
    - (i) the duration of the multi-annual reduction;
    - (ii) the rate of reduction for each year of the arrangement;
    - (iii) confirmation that previous reductions have been applied in accordance with the details of the arrangement;
    - (iv) the number of years remaining until the multi-annual reduction is applied in full;
  - (l) in relation to the methods and assumptions used for the actuarial valuation—
    - (i) where there has been no change compared to the methods and assumptions used for the previous actuarial valuation, a statement setting out why the methods and assumptions continue to be appropriate for the scheme; or
    - (ii) where there has been a change compared to the methods and assumptions used for the previous actuarial valuation, a statement setting out the justification for any changes to the methods or assumptions used.
- (5) The requirements set out at paragraph (4)(f) to (l) do not apply to an actuarial valuation prepared in accordance with paragraph (1)(a).
- (6) The trustees of a collective money purchase scheme must obtain an actuarial valuation within a period of ten months beginning with the effective date of the valuation.
- (7) The trustees of a collective money purchase scheme must secure that any actuarial valuation obtained by them is made available to the Regulator before the end of ten days beginning with the date on which they obtain it.
- (8) In this regulation, the day on which a scheme begins operating is the day on which, in relation to the scheme, a person first accepts money as described in section 7(5)(a) or (b) of the Act.