



Pensions Act 2011

2011 CHAPTER 19

PART 2

AUTOMATIC ENROLMENT

12 Certification that alternative to quality requirement is satisfied

- (1) Section 28 of the 2008 Act (sections 20, 24 and 26: certification that quality requirement is satisfied) is amended as follows.
- (2) For the heading substitute “**Certification that quality requirement or alternative requirement is satisfied**”.
- (3) In subsection (1) for “any jobholder of an employer” substitute “each of an employer’s relevant jobholders”.
- (4) After subsection (1) insert—
 - “(1A) In this section—
 - (a) “relevant jobholder” means a jobholder to whom the certificate in question applies;
 - (b) a reference to a scheme includes a reference to part of a scheme.”
- (5) In subsection (2)—
 - (a) for “state that” substitute “state—
 - (a) that”;
 - (b) for “the jobholders” substitute “relevant jobholders”;
 - (c) at the end insert “, or
 - (b) that, in relation to those jobholders, the scheme is in that person’s opinion able to satisfy a prescribed alternative requirement throughout the certification period.”
- (6) After subsection (2) insert—

Status: This is the original version (as it was originally enacted).

“(2A) Alternative requirements must be such that, assuming all jobholders to be active members of schemes to which this section applies, for at least 90% of jobholders—

- (a) employer contributions, and
- (b) total contributions,

would be likely to be no less if every scheme satisfied an alternative requirement applicable to it than if every scheme satisfied the relevant quality requirement.

(2B) In subsection (2A)—

“alternative requirement” means a requirement prescribed under subsection (2)(b);

“employer contributions”, in relation to an active member of a scheme, means the amount of contributions that have to be paid under the scheme in respect of the member by the employer;

“total contributions”, in relation to an active member of a scheme, means the total amount of contributions that have to be paid under the scheme in respect of the member by the employer and by the member.

(2C) The Secretary of State—

- (a) must apply the test in subsection (2A) when regulations under subsection (2)(b) are first made, and
- (b) must carry out subsequent reviews of whether the test continues to be satisfied.

A review under paragraph (b) must be carried out during 2017, and after that each review must be completed no more than three years after the completion of the previous one.”

(7) In subsection (6)—

- (a) in paragraph (e) for “any jobholder” substitute “any relevant jobholder”;
- (b) in paragraph (f) for “jobholders” substitute “relevant jobholders”.

(8) In section 32 of the 2008 Act (power to modify by resolution) in subsection (1)(b) for the words after “the scheme” substitute “to satisfy—

- (i) the requirements contained in section 20(1),
- (ii) those requirements as modified under section 24(1)(a), or
- (iii) a requirement prescribed under section 28(2)(b).”