



# Pension Schemes Act 2015

## CHAPTER 8

### PENSION SCHEMES ACT 2015

#### PART 1

##### CATEGORIES OF PENSION SCHEME

- 1 Introduction
- 2 Defined benefits scheme
- 3 Shared risk scheme (sometimes known as “defined ambition”)
- 4 Defined contributions scheme
- 5 Meaning of “pensions promise” etc
- 6 Treatment of a scheme as two or more separate schemes
- 7 Interpretation of Part 1

#### PART 2

##### COLLECTIVE BENEFITS

##### *Introduction and nature of collective benefits*

- 8 Introduction and definition
- 9 Duty to set targets for collective benefits
- 10 Policy about factors used to determine each benefit
- 11 Power to impose requirements about factors used to determine each benefit

##### *Contributions*

- 12 Payment schedule
- 13 Overdue contributions and other payments

*Status: Point in time view as at 08/06/2015.*

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### *Investment*

- 14 Statement of investment strategy
- 15 Investment performance reports
- 16 Investment powers
- 17 Restriction on borrowing by trustees or managers
- 18 Investment powers: duty of care

### *Valuation*

- 19 Valuation reports
- 20 Valuation process

### *Dealing with deficits and surpluses*

- 21 Policy for dealing with a deficit or surplus
- 22 Power to impose requirements about dealing with a deficit or surplus
- 23 Deficits attributable to an offence or the imposition of a levy
- 24 Payment of amounts out of collective benefit funds

### *Cash equivalents*

- 25 Policy for calculating cash equivalent of benefits

### *Winding up*

- 26 Winding up
- 27 Requirement to wind up scheme in specified circumstances
- 28 Policies about winding up

### *Identifying assets*

- 29 Working out which assets are available for the provision of which benefits

### *Regulations under Part 2: general*

- 30 Requirement to obtain actuarial advice
- 31 Sub-delegation
- 32 Publication of documents etc
- 33 Enforcement
- 34 Overriding requirements

### *Interpretation of Part 2*

- 35 Interpretation of Part 2

## **PART 3**

### GENERAL CHANGES TO LEGISLATION ABOUT PENSION SCHEMES

### *Administration and governance*

- 36 Pensions promise obtained from third party
- 37 Duty to act in the best interests of members
- 38 Disclosure of information about schemes

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*Early leavers*

- 39 Extension of preservation of benefit under occupational pension schemes
- 40 Revaluation of accrued benefits

*Indexation*

- 41 Collective benefits exempt from indexation
- 42 Regulatory own fund schemes exempt from indexation
- 43 Power to create other exemptions from indexation

*Independent trustees*

- 44 Removal of requirement to maintain register of independent trustees

*Rules about modification of schemes*

- 45 Rules about modification of schemes

*Other amendments*

- 46 Other amendments to do with Parts 1 and 2

**PART 4**

PENSIONS FLEXIBILITIES

**CHAPTER 1**

PENSIONS GUIDANCE

- 47 Pensions guidance

**CHAPTER 2**

INDEPENDENT ADVICE

*Great Britain*

- 48 Independent advice in respect of conversions and transfers: Great Britain
- 49 Power to require employer to arrange advice for purposes of section 48
- 50 Independent advice: consequential amendments: Great Britain

*Northern Ireland*

- 51 Independent advice in respect of conversions and transfers: Northern Ireland
- 52 Power to require employer to arrange advice for purposes of section 51
- 53 Independent advice: consequential amendments: Northern Ireland

*Income tax exemption*

- 54 Independent advice: income tax exemption

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### CHAPTER 3

#### DRAWDOWN, CONVERSION OF BENEFITS AND LUMP SUMS

##### *Great Britain*

- 55 Sums or assets that may be designated as available for drawdown: Great Britain
- 56 Provision about conversion of certain benefits for drawdown: Great Britain
- 57 Provision about calculation of lump sums: Great Britain
- 58 Restrictions on conversion of benefits during winding up etc: Great Britain
- 59 Restriction on payment of lump sums during PPF assessment period: Great Britain
- 60 Sections 55 to 57: consequential amendments

##### *Northern Ireland*

- 61 Sums or assets that may be designated as available for drawdown: Northern Ireland
- 62 Provision about conversion of certain benefits for drawdown: Northern Ireland
- 63 Provision about calculation of lump sums: Northern Ireland
- 64 Restrictions on conversion of benefits during winding up etc: Northern Ireland
- 65 Restriction on payment of lump sums during PPF assessment period: Northern Ireland
- 66 Sections 61 to 63: consequential amendments

### CHAPTER 4

#### TRANSFERS

##### *Rights to transfer benefits*

- 67 Rights to transfer benefits

##### *Great Britain*

- 68 Restriction on transfers out of unfunded public service defined benefits schemes: Great Britain
- 69 Reduction of cash equivalents: funded public service defined benefits schemes: Great Britain
- 70 Sections 68 and 69: consequential amendments

##### *Northern Ireland*

- 71 Restriction on transfers out of unfunded public service defined benefits schemes: Northern Ireland
- 72 Reduction of cash equivalents: funded public service defined benefits schemes: Northern Ireland
- 73 Sections 71 and 72: consequential amendments

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## CHAPTER 5

### INTERPRETATION OF PART 4

- 74 Meaning of “flexible benefit”
- 75 Meaning of “cash balance benefit”
- 76 Interpretation of Part 4

## PART 5

### MISCELLANEOUS

#### *Remploy*

- 77 Payments into Remploy Limited Pension and Assurance Scheme

#### *Judicial and public service pensions*

- 78 Pension scheme for fee-paid judges
- 79 Judicial pensions: pension sharing on divorce etc
- 80 Public service pension schemes

#### *Marriage of same sex couples*

- 81 Extension to Scotland of certain provisions about marriage of same sex couples

#### *Pension sharing*

- 82 Pension sharing and normal benefit age

## PART 6

### GENERAL

- 83 Power to make consequential amendments
- 84 Regulations
- 85 Regulations: Northern Ireland
- 86 Regulations: supplementary
- 87 Crown application
- 88 Extent
- 89 Commencement
- 90 Short title

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## SCHEDULES

### SCHEDULE 1 — Early leavers: revaluation of accrued benefits

- 1 The Pension Schemes Act 1993 is amended as follows.
- 2 Before section 83 insert— Overview and meaning of “the 2015...
- 3 In section 83, for subsection (1A) substitute—
- 4 For section 84 substitute— Old basis of revaluation: occupational pension...
- 5 After section 85 insert— Power to add revaluation methods for...
- 6 After section 86 insert— The revaluation methods The revaluation methods referred to in this Chapter are defined...

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- 7 In section 186(3) (statutory instruments subject to affirmative procedure), after...
- 8 In Schedule 3 to that Act (revaluation methods), before paragraph...
- 9 Omit paragraphs 3A and 4 of that Schedule.
- 10 In paragraph 5(1) of that Schedule, for “if his pensionable...
- 11 Omit the following, which are no longer needed given the...

## SCHEDULE 2 — Other amendments to do with Parts 1 and 2

### *Pension Schemes Act 1993 (c. 48)*

- 1 The Pension Schemes Act 1993 is amended as follows.
- 2 In section 83 (scope of provisions about revaluation of benefits...
- 3 In section 113 (disclosure of information about schemes to members...
- 4 In section 124 (duty of Secretary of State to pay...
- 5 (1) In section 181 (interpretation), subsection (1) is amended as...

### *Pensions Act 1995 (c. 26)*

- 6 The Pensions Act 1995 is amended as follows.
- 7 In section 37 (payment of surplus to employer), in subsection...
- 8 In section 38 (power to defer winding up), in subsection...
- 9 In section 51 (annual increase in rate of pension), in...
- 10 In section 51A (restrictions on increase where annuity tied to...
- 11 In section 73 (preferential liabilities on winding up), for subsection...
- 12 In section 75 (employer debt where deficiency in assets on...
- 13 (1) Section 87 (schedules of payments to money purchase schemes)...
- 14 For the italic cross-heading above section 87 substitute “ Schemes...
- 15 In the heading to section 88 (schedules of payments to...
- 16 (1) Section 89 (application of further provisions to money purchase...
- 17 In section 124 (interpretation), in subsection (1), at the appropriate...
- 18 (1) Section 125 (interpretation of Part 1: supplementary) is amended...

### *Welfare Reform and Pensions Act 1999 (c. 30)*

- 19 In section 38 of the Welfare Reform and Pensions Act...

### *Financial Services and Markets Act 2000 (c. 8)*

- 20 The Financial Services and Markets Act 2000 is amended as...
- 21 In section 137FA (FCA general rules: disclosure of information about...
- 22 (1) Section 142X (interpretation of provisions about ring-fencing) is amended...

### *Pensions Act 2004 (c. 35)*

- 23 The Pensions Act 2004 is amended as follows.
- 24 In section 13 (improvement notices), in subsection (7)—
- 25 In section 17 (power of the Regulator to recover unpaid...
- 26 (1) Section 23 (freezing orders) is amended as follows.
- 27 In section 38 (contribution notices where avoidance of employer debt),...
- 28 (1) Section 43 (financial support directions) is amended as follows....
- 29 In section 52 (restoration orders where transactions at an undervalue),...
- 30 (1) Section 90 (codes of practice) is amended as follows....

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- 31 In section 126 (schemes eligible for pension protection), for subsection...
- 32 For section 221 (application of scheme funding rules) substitute— Pension...
- 33 In section 254 (representative of non-European scheme to be treated...
- 34 In section 258 (pension protection on transfer of employment: form...
- 35 In section 286 (financial assistance scheme for members of certain...
- 36 In section 291 (duty of trustees or managers to act...
- 37 In section 307 (modification of Pensions Act 2004 in relation...
- 38 (1) Section 318 (interpretation) is amended as follows.

*Pensions Act 2008 (c. 30)*

- 39 The Pensions Act 2008 is amended as follows.
- 40 (1) Section 20 (quality requirement: UK money purchase schemes) is...
- 41 In section 21 (quality requirement: UK defined benefits schemes) for...
- 42 In section 23A (alternative quality requirements for UK defined benefits...
- 43 (1) Section 24 (quality requirement: UK hybrid schemes) is amended...
- 44 (1) Section 26 (quality requirement: UK personal pension schemes) is...
- 45 (1) Section 28 (certification that quality requirement or alternative requirement...
- 46 For the heading to section 29 substitute “ Transitional periods...
- 47 (1) Section 30 (transitional period for defined benefits and hybrid...
- 48 In section 35 (compliance notices), in subsection (5), for “a...
- 49 In section 38 (calculation and payment of contributions), in subsection...
- 50 (1) Section 99 (interpretation) is amended as follows.

*Pensions Act 2014 (c. 19)*

- 51 (1) Schedule 17 to the Pensions Act 2014 (automatic transfer...

SCHEDULE 3 — Pensions guidance

- 1 The Financial Services and Markets Act 2000 is amended as...
- 2 After section 333 insert— PART 20A PENSIONS GUIDANCE Introduction and...
- 3 In section 1B (the FCA's general duties), after subsection (7)...
- 4 In section 1M (the FCA's general duty to consult), after...
- 5 In section 1S (reviews by independent person into discharge of...
- 6 After section 137FA insert— FCA general rules: disclosure of information...
- 7 (1) Section 138F (notification of rules) is amended as follows....
- 8 In section 138I (rules: consultation by the FCA)—
- 9 In section 139A (power of the FCA to give guidance),...
- 10 In section 140A (competition scrutiny: interpretation), in subsection (1), in...
- 11 In section 168 (appointment of persons to carry out investigations...
- 12 In section 429 (Parliamentary control of statutory instruments), in subsection...
- 13 In Schedule 1ZA (the FCA), in paragraph 8 (arrangements for...
- 14 In that Schedule, in paragraph 11 (annual report), in sub-paragraph...
- 15 In that Schedule, in paragraph 21 (FCA financial penalty scheme),...
- 16 In that Schedule, in paragraph 23 (fees)—
- 17 In section 85 of the Financial Services Act 2012 (relevant...

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- 18 (1) For the purpose of the exercise of a function...  
19 Expenses incurred by the Financial Conduct Authority before the day...

#### SCHEDULE 4 — Rights to transfer benefits

##### PART 1 — GREAT BRITAIN AMENDMENTS

###### *Judicial Pensions Act 1981 (c. 20)*

- 1 In Schedule 1A to the Judicial Pensions Act 1981 (transfer...

###### *Judicial Pensions and Retirement Act 1993 (c. 8)*

- 2 In Schedule 2 to the Judicial Pensions and Retirement Act...

###### *Pension Schemes Act 1993 (c. 48)*

- 3 The Pension Schemes Act 1993 is amended as follows.  
4 (1) Chapters 4 and 5 of Part 4 of the...  
5 In section 24F (transfers out of GMP-converted schemes), in  
subsubsection...  
6 Until the coming into force of its repeal by Schedule...  
7 In section 73 (form of short service benefit and its...  
8 For sections 93 to 94 substitute— Scope of Chapter 1...  
9 (1) Section 95 (ways of taking right to cash equivalent)...  
10 (1) Section 96 (further provisions concerning exercise of option under...  
11 (1) Section 97 (calculation of cash equivalents) is amended as...  
12 For section 98 substitute— Loss of right to cash equivalent...  
13 (1) Section 99 (trustees' duties after exercise of option) is...  
14 After section 100 insert— Prohibition on excluding future accruals etc...  
15 (1) Section 101F (power to give transfer notice) is amended...  
16 For section 101G (restrictions on power to give transfer notice)...  
17 (1) Section 101H (salary related schemes: statements of entitlement) is...  
18 (1) Section 101J (time for compliance with transfer notice) is...  
19 In section 101M (effect of transfer on trustees' duties), for...  
20 After section 101N insert— Prohibition on excluding transfers of  
some...  
21 (1) Section 101P (interpretation) is amended as follows.  
22 Omit section 101Q.  
23 In section 129 (overriding requirements), in subsection (1), for  
“Chapters...  
24 In section 130 (extra-statutory benefits), in paragraph (b), for “Chapter...  
25 In section 153 (power to modify certain provisions), in subsection...  
26 In section 179 (linked qualifying service), in subsection (1)(a)—  
27 In section 181 (interpretation), in subsection (1), in paragraph (b)...

###### *Pensions Act 1995 (c. 26)*

- 28 The Pensions Act 1995 is amended as follows.  
29 In section 67A (the subsisting rights provisions: interpretation), in  
subsubsection...  
30 In section 73 (preferential liabilities on winding up), in subsection...  
31 In section 73B (sections 73 and 73A: supplementary), in subsection...  
32 In section 124 (interpretation of Part 1), in subsection (1),...



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*Learning and Skills Act 2000 (c. 21)*

- 33 In section 135 (pensions: interpretation), in subsection (4), for “section...

*Pensions Act 2004 (c. 35)*

- 34 The Pensions Act 2004 is amended as follows.  
35 (1) Section 18 (pension liberation: interpretation) is amended as follows....  
36 In section 23 (freezing orders), in subsection (4)(g), for “salary...  
37 In section 24 (consequences of freezing order), in subsection (7),...  
38 In section 73 (inspection of premises), in subsection (2)(d)—  
39 In section 135 (restrictions on winding up, discharge of liabilities...  
40 In section 138 (payment of scheme benefits), in subsection (3)(b),...  
41 (1) Section 318 (interpretation) is amended as follows.  
42 (1) Schedule 7 (pension compensation provisions) is amended as follows....

*Scottish Parliamentary Pensions Act 2009 (asp 1)*

- 43 (1) Schedule 1 to the Scottish Parliamentary Pensions Act 2009...

*Pensions Act 2014 (c. 19)*

- 44 The Pensions Act 2014 is amended as follows.  
45 In section 34 (power to prohibit offer of incentives to...  
46 In Schedule 17 (automatic transfer of pension benefits etc), in...  
PART 2 — NORTHERN IRELAND AMENDMENTS

*Judicial Pensions Act 1981 (c. 20)*

- 47 In Schedule 1A to the Judicial Pensions Act 1981 (transfer...

*Judicial Pensions and Retirement Act 1993 (c. 8)*

- 48 In Schedule 2 to the Judicial Pensions and Retirement Act...

*Pension Schemes (Northern Ireland) Act 1993 (c. 49)*

- 49 The Pension Schemes (Northern Ireland) Act 1993 is amended as...  
50 (1) Chapters 4 and 5 of Part 4 of the...  
51 In section 20F (transfers out of GMP-converted schemes), in subsection...  
52 In section 52 (payment of state scheme premiums on termination...  
53 In section 69 (form of short service benefit and its...  
54 For sections 89 to 90 substitute— Scope of Chapter 1...  
55 (1) Section 91 (ways of taking right to cash equivalent)...  
56 (1) Section 92 (further provisions concerning exercise of option under...  
57 (1) Section 93 (calculation of cash equivalents) is amended as...  
58 For section 94 substitute— Loss of right to cash equivalent...  
59 (1) Section 95 (trustees' duties after exercise of option) is...  
60 After section 96 insert— Prohibition on excluding future accruals etc...  
61 (1) Section 97F (power to give transfer notice) is amended...  
62 For section 97G (restrictions on power to give transfer notice)...  
63 (1) Section 97H (salary related schemes: statements of entitlement) is...

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- 64 (1) Section 97J (time for compliance with transfer notice) is...
- 65 In section 97M (effect of transfer on trustees' duties), for...
- 66 After section 97N insert— Prohibition on excluding transfers of some...
- 67 (1) Section 97P (interpretation) is amended as follows.
- 68 Omit section 97Q.
- 69 In section 125 (overriding requirements), in subsection (1), for “Chapters...
- 70 In section 126 (extra-statutory benefits), in paragraph (b), for “Chapter...
- 71 In section 149 (power to modify certain provisions), in subsection...
- 72 In section 174 (linked qualifying service), in subsection (1)(a)—
- 73 In section 176 (interpretation), in subsection (1), in paragraph (b)...

*Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22))*

- 74 The Pensions (Northern Ireland) Order 1995 is amended as follows....
- 75 In Article 67A (the subsisting rights provisions: interpretation), in paragraph...
- 76 In Article 73 (preferential liabilities on winding up), in paragraph...
- 77 In Article 73B (Article 73 and 73A: supplementary), in paragraph...
- 78 In Article 121 (interpretation of Part 2), in paragraph (1),...

*Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1))*

- 79 The Pensions (Northern Ireland) Order 2005 is amended as follows....
- 80 (1) Article 2 (interpretation) is amended as follows.
- 81 (1) Article 14 (pension liberation: interpretation) is amended as follows....
- 82 In Article 19 (freezing orders), in paragraph (4)(g), for “salary...
- 83 In Article 20 (consequences of freezing order), in paragraph (7),...
- 84 In Article 68 (inspection of premises), in paragraph (2)(d)—
- 85 In Article 119 (restrictions on winding up, discharge of liabilities...
- 86 In Article 122 (payment of scheme benefits), in paragraph (3)(b),...
- 87 (1) Schedule 6 (pension compensation provisions) is amended as follows....

SCHEDULE 5 — Pension scheme for fee-paid judges: consequential amendments

*Pensions (Increase) Act 1971 (c. 56)*

- 1 The Pensions (Increase) Act 1971 is amended as follows.
- 2 In section 19(2)(a) (extent to Northern Ireland)—
- 3 In Schedule 2 (official pensions), after paragraph 4A insert— A pension payable under a scheme made under section 18A...

*Judicial Pensions and Retirement Act 1993 (c. 8)*

- 4 The Judicial Pensions and Retirement Act 1993 is amended as...
- 5 In section 22 (application of the Pensions (Increase) Act 1971...
- 6 (1) Section 28 (funding arrangements) is amended as follows.
- 7 In section 28A (contributions in respect of Northern Ireland judges),...
- 8 (1) Section 29 (regulations and orders) is amended as follows....

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