

PENSION SCHEMES ACT 2015

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 2 – Collective Benefits

Section 25: Policy for calculating cash equivalent of benefits

82. This section contains a power to require trustees or managers of a scheme offering collective benefits to have and to follow a policy for the calculation and verification of cash equivalents of collective benefits. The cash equivalent is used for the purpose of calculating transfer values and for valuing rights for sharing pensions on divorce.
83. Regulations under this section may require trustees or managers to ensure that the policy is consistent with any requirements imposed by regulations under section 97 or 101I of the Pension Schemes Act 1993 or section 30 of the Welfare Reform and Pensions Act 1999 or any other specified requirements. Regulations may also make provision about the content of the policy, the review and revision of the policy and may require trustees or managers to consult about the policy. The regulations can also set out the sort of things trustees or managers must take into account or principles they must follow in setting the policy.