



# Pension Schemes Act 2015

## 2015 CHAPTER 8

### PART 2

#### COLLECTIVE BENEFITS

##### *Dealing with deficits and surpluses*

#### **21 Policy for dealing with a deficit or surplus**

- (1) Regulations may require the trustees or managers of a pension scheme—
  - (a) to have a policy for dealing with a deficit or surplus in respect of any collective benefits that may be provided by the scheme, and
  - (b) to follow that policy if a valuation report shows a deficit or surplus.
- (2) For the purposes of this Part—
  - (a) there is a “deficit” in respect of a collective benefit if the probability of the scheme meeting a target in relation to the benefit is below the required range, and
  - (b) there is a “surplus” in respect of a collective benefit if the probability of the scheme meeting a target in relation to the benefit is above the required range.
- (3) Regulations under subsection (1)(a) may, in particular—
  - (a) require the trustees or managers to consult about the policy;
  - (b) make provision about the content of the policy;
  - (c) set out matters that the trustees or managers must take into account, or principles they must follow, in formulating the policy;
  - (d) make provision about reviewing and revising the policy.
- (4) The regulations may, in particular, require the policy—
  - (a) to be formulated with a view to achieving results described in the regulations within a period or periods described in the regulations;
  - (b) to contain provision for a deficit or surplus to be dealt with in one or more of a range of ways described in the regulations;

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*Status: This is the original version (as it was originally enacted).*

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- (c) to contain an explanation of the possible effect of the policy, or any requirements imposed by regulations under section 22, on members in different circumstances.