



Pension Schemes Act 2017

2017 CHAPTER 17

PART 1

MASTER TRUSTS

Triggering events: continuity

31 Pause orders

- (1) This section applies during a triggering event period for a Master Trust scheme.
- (2) The Pensions Regulator may make a pause order in relation to the scheme if either of the following two conditions is met.
- (3) Condition 1 is that the Pensions Regulator is satisfied that making a pause order will help the trustees to carry out the implementation strategy.
- (4) Condition 2 is that the Pensions Regulator is satisfied that—
 - (a) there is, or is likely to be if a pause order is not made, an immediate risk to the interests of members under the scheme or the assets of the scheme, and
 - (b) it is necessary to make a pause order to protect the interests of the generality of the members of the scheme.
- (5) A pause order is an order that during the period for which it has effect one or more of the following directions has effect—
 - (a) a direction that no new members (or no specified classes of new members) are to be admitted to the scheme;
 - (b) a direction that no further contributions or payments (or no further specified contributions or payments) are to be paid towards the scheme by or on behalf of any employers or members (or any specified employers or members);
 - (c) a direction that any amount (or any specified amount) which—
 - (i) corresponds to any contribution which would be due to be paid towards the scheme on behalf of a member but for a direction under paragraph (b), and

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- (ii) has been deducted from a payment of any earnings in respect of an employment,
is to be repaid to the member in question by the employer;
 - (d) a direction that no benefits (or no specified benefits) are to be paid to or in respect of any members (or any specified members) under the scheme rules;
 - (e) a direction that—
 - (i) no transfers (or no specified transfers) of any member’s rights under the scheme rules are to be made from the scheme,
 - (ii) no transfer payments (or no specified transfer payments) in respect of any member’s rights under the scheme rules are to be made from the scheme, or
 - (iii) no other steps (or no specified other steps) are to be taken to discharge any liability of the scheme to or in respect of a member of the scheme in respect of pensions or other benefits.
- (6) In subsection (5)(b)—
- (a) the references to contributions do not include contributions due to be paid before the order takes effect, and
 - (b) the references to payments towards a scheme include payments in respect of pension credits where the person entitled to the credit is a member of the scheme.
- (7) A direction under subsection (5)(e) may provide that transfers or specified transfers of, or transfer payments or specified transfer payments in respect of, any member’s rights under the scheme rules may not be made from the scheme unless the amounts paid out from the scheme in respect of the transfers or transfer payments are determined in a specified manner and the transfers or transfer payments satisfy such other conditions as may be specified.
- (8) Schedule 1 makes further provision about pause orders.
- (9) In this section—
- “earnings” has the meaning given by section 181(1) of the Pension Schemes Act 1993;
 - “pension credit” means a credit under section 29(1)(b) of the Welfare Reform and Pensions Act 1999 or under corresponding Northern Ireland legislation;
 - “specified” means specified in the pause order.