Pension Schemes Act 2017

2017 CHAPTER 17

PART 1

MASTER TRUSTS

Authorisation criteria

8 Financial sustainability requirement

(1) This section applies for the purposes of enabling the Pensions Regulator to decide whether it is satisfied that a Master Trust scheme is financially sustainable (see section 5(3)(b)).

(2) In order to be satisfied that a Master Trust scheme is financially sustainable, the Regulator must be satisfied—

- (a) that the business strategy relating to the scheme is sound, and
- (b) that the scheme has sufficient financial resources to meet the costs mentioned in subsection (3).

(3) The costs are—

- (a) the costs of setting up and running the scheme, and
- (b) in the event of a triggering event occurring—
  - (i) the costs of complying with the duties in sections 20 to 33, and
  - (ii) the costs of continuing to run the scheme for such period (which must be at least six months and no more than two years) as the Regulator thinks appropriate for the scheme.

(4) In deciding whether it is satisfied about the matters mentioned in subsection (2)(a) and (b), the Pensions Regulator must take into account any matters specified in regulations made by the Secretary of State.

(5) The regulations may include provision specifying—

- (a) the information that the Regulator must take into account, such as—

(i) the scheme's business plan and supporting documents and information (see section 9);

(ii) the scheme's accounts and the accounts of a scheme funder;

(b) requirements to be met by the scheme or by a scheme funder relating to its financing, such as requirements relating to assets, capital or liquidity.

(6) The first regulations that are made under this section are subject to affirmative resolution procedure.

(7) Any subsequent regulations under this section are subject to negative resolution procedure.