



Pension Schemes Act 2021

2021 CHAPTER 1

PART 2 N.I.

COLLECTIVE MONEY PURCHASE BENEFITS: NORTHERN IRELAND

Authorisation criteria

62 Fit and proper persons requirement N.I.

- (1) This section applies for the purposes of enabling the Pensions Regulator to decide whether it is satisfied that the persons involved in a collective money purchase scheme are fit and proper persons (see section 60(3)(a)).
- (2) The Pensions Regulator must assess whether each of the following is a fit and proper person to act in relation to the scheme in the capacity mentioned—
 - (a) a person who establishes the scheme;
 - (b) a trustee;
 - (c) a person who (alone or with others) has power to appoint or remove a trustee;
 - (d) a person who (alone or with others) has power to vary the provisions of the scheme;
 - (e) a person acting in a capacity specified in regulations made by the Department.
- (3) In assessing whether a person is a fit and proper person to act in a particular capacity, the Pensions Regulator—
 - (a) must take into account any matters specified in regulations made by the Department, and
 - (b) may take into account such other matters as it considers appropriate, including matters relating to a person connected with that person.
- (4) Regulations under subsection (3)(a) may include provision requiring specified information to be provided to the Pensions Regulator.
- (5) For the purposes of this section, a person (“A”) is connected with another person (“B”) if—

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- (a) A is an associate of B;
 - (b) where B is a company, A is a director or shadow director of B or an associate of a director or shadow director of B;
 - (c) A is a trustee of an occupational pension scheme established under a trust and—
 - (i) the beneficiaries of the trust include B or an associate of B, or
 - (ii) the provisions of the scheme confer a power that may be exercised for the benefit of B or an associate of B.
- (6) In this section—
 “associate” has the meaning given in Article 4 of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19));
 “director” and “shadow director” have the meaning given in Article 5 of that Order.
- (7) Regulations under subsection (3)(a) are subject to confirmatory procedure.
- (8) Regulations under subsection (2)(e) are subject to negative resolution.

Commencement Information

- I1** S. 62 in force at Royal Assent for specified purposes, see s. 131(3)(a)
- I2** S. 62 in force at 1.8.2022 in so far as not already in force by S.R. 2022/197, art. 3(a)

63 Scheme design requirement N.I.

- (1) This section applies for the purposes of enabling the Pensions Regulator to decide whether it is satisfied that the design of a collective money purchase scheme is sound (see section 60(3)(b)).
- (2) In deciding whether the design of a collective money purchase scheme is sound, the Pensions Regulator must take into account—
 - (a) the scheme's viability report and viability certificate (see section 64);
 - (b) any matters specified in regulations made by the Department.
- (3) Regulations under subsection (2)(b) may include provision requiring specified information to be provided to the Pensions Regulator.
- (4) Regulations under subsection (2)(b) are subject to confirmatory procedure.

Commencement Information

- I3** S. 63 in force at Royal Assent for specified purposes, see s. 131(3)(a)
- I4** S. 63 in force at 1.8.2022 in so far as not already in force by S.R. 2022/197, art. 3(a)

64 Viability report N.I.

- (1) The trustees of a collective money purchase scheme must—
 - (a) prepare a document explaining the design of the scheme and the reasons that they consider the design to be sound (a “viability report”), and

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- (b) obtain a certificate from the scheme actuary certifying that, in the actuary's opinion, the design of the scheme is sound (a “viability certificate”).
- (2) The scheme actuary may not give a viability certificate unless satisfied that the scheme has rules that meet the requirements of section 69 and any regulations under that section.
- (3) The Department may by regulations—
- (a) specify information that must be included in a viability report,
 - (b) specify other requirements with which a viability report must comply,
 - (c) make provision about the content of a viability certificate,
 - (d) specify matters to which the scheme actuary must have regard when providing a viability certificate, and
 - (e) make provision about additional information or documents that must be prepared or obtained in connection with a viability report.
- (4) The trustees of a collective money purchase scheme must, at least once a year—
- (a) review the most recent viability report,
 - (b) if appropriate, revise it, and
 - (c) obtain a new viability certificate in respect of the report (or revised report).
- (5) If the most recent viability report becomes inaccurate or incomplete to any significant extent, the trustees must—
- (a) revise the report, and
 - (b) obtain a new viability certificate in respect of the revised report.
- (6) The trustees must provide the Pensions Regulator with the information and documents listed in subsection (7)—
- (a) on applying for authorisation (see section 59),
 - (b) within three months of the viability report being revised, and
 - (c) at any other time, on request from the Pensions Regulator.
- (7) The information and documents to be provided are—
- (a) the most recent viability report;
 - (b) the most recent viability certificate;
 - (c) any additional information or documents specified or described in regulations under subsection (3)(e).
- (8) Regulations under subsection (3) are subject to confirmatory procedure.

Commencement Information

15 S. 64 in force at Royal Assent for specified purposes, see s. 131(3)(a)

16 S. 64 in force at 1.8.2022 in so far as not already in force by S.R. 2022/197, art. 3(a)

65 Financial sustainability requirement **N.I.**

- (1) This section applies for the purposes of enabling the Pensions Regulator to decide whether it is satisfied that a collective money purchase scheme is financially sustainable (see section 60(3)(c)).

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- (2) In order to be satisfied that a collective money purchase scheme is financially sustainable, the Pensions Regulator must be satisfied that the scheme has sufficient financial resources to meet the following costs—
 - (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 under sections 82 to 96, 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 Pensions Regulator thinks appropriate for the scheme.
- (3) In deciding whether it is satisfied that a scheme has sufficient financial resources to meet the costs mentioned in subsection (2), the Pensions Regulator must take into account any matters specified in regulations made by the Department.
- (4) Regulations under subsection (3) may include provision—
 - (a) requiring specified information to be provided to the Pensions Regulator;
 - (b) specifying requirements to be met by the scheme relating to its financing, such as requirements relating to assets, capital or liquidity.
- (5) Regulations under subsection (3) are subject to confirmatory procedure.

Commencement Information

I7 [S. 65](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(a\)](#)

I8 [S. 65](#) in force at 1.8.2022 in so far as not already in force by [S.R. 2022/197](#), [art. 3\(a\)](#)

66 Communication requirement **N.I.**

- (1) This section applies for the purposes of enabling the Pensions Regulator to decide whether it is satisfied that a collective money purchase scheme has adequate systems and processes for communicating with members and others (see section 60(3)(d)).
- (2) In order to be satisfied that a scheme has adequate systems and processes for communicating with members and others, the Pensions Regulator must be satisfied that the scheme has adequate systems and processes—
 - (a) for providing information in relation to the scheme to persons falling within subsection (3);
 - (b) for securing that information provided to those persons is correct and is not misleading.
- (3) A person falls within this subsection if the person is—
 - (a) a member or prospective member of the scheme, or
 - (b) a person who has survived a member of the scheme and has an entitlement to benefits, or a right to future benefits, under the scheme rules in respect of the member.
- (4) In making the decision, the Pensions Regulator—
 - (a) must take into account any matters specified in regulations made by the Department, and
 - (b) may take into account any communications made using the systems and processes referred to in subsection (2).

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- (5) Regulations under subsection (4)(a) may among other things—
- (a) make provision about systems and processes used for assessing and improving the effectiveness of communications;
 - (b) make provision requiring specified information to be provided to the Pensions Regulator.
- (6) Regulations under subsection (4)(a) are subject to confirmatory procedure.

Commencement Information

- I9** S. 66 in force at Royal Assent for specified purposes, see s. 131(3)(a)
I10 S. 66 in force at 1.8.2022 in so far as not already in force by S.R. 2022/197, art. 3(a)

67 Systems and processes requirements **N.I.**

- (1) This section applies for the purposes of enabling the Pensions Regulator to decide whether it is satisfied that the systems and processes used in running a collective money purchase scheme are sufficient to ensure that it is run effectively (see section 60(3)(e)).
- (2) In deciding whether it is satisfied that the systems and processes used in running the scheme are sufficient for that purpose, the Pensions Regulator must take into account any matters specified in regulations made by the Department.
- (3) Regulations under subsection (2) may among other things—
- (a) make provision about the matters set out in subsection (4);
 - (b) require specified information to be provided to the Pensions Regulator.
- (4) The matters referred to in subsection (3)(a) are—
- (a) features and functionality required of the IT systems used in running the scheme;
 - (b) standards that those IT systems must meet (for example, in relation to quality and in relation to security of data);
 - (c) the maintenance of those IT systems;
 - (d) records management, risk management and resource planning;
 - (e) processes relating to transactions and investment decisions;
 - (f) processes relating to the appointment and removal of trustees;
 - (g) processes relating to the professional development of trustees;
 - (h) processes relating to the appointment, removal, roles and responsibilities of—
 - (i) persons, other than the trustees, involved in running the scheme, and
 - (ii) persons involved in providing services in relation to the scheme.
- (5) Regulations under subsection (2) are subject to confirmatory procedure.

Commencement Information

- I11** S. 67 in force at Royal Assent for specified purposes, see s. 131(3)(a)
I12 S. 67 in force at 1.8.2022 in so far as not already in force by S.R. 2022/197, art. 3(a)

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68 Continuity strategy requirement **N.I.**

- (1) This section applies for the purposes of enabling the Pensions Regulator to decide whether it is satisfied that a collective money purchase scheme has an adequate continuity strategy (see section 60(3)(f)).
- (2) The trustees of a collective money purchase scheme must prepare a document addressing how the interests of members of the scheme are to be protected if a triggering event (see section 82) occurs in relation to the scheme (a “continuity strategy”).
- (3) A continuity strategy must include a section setting out the levels of administration charges that apply in relation to members of the scheme.
- (4) It must set out those levels of charges in the manner specified in regulations made by the Department.
- (5) A continuity strategy must—
 - (a) contain such other information as may be specified in regulations made by the Department, and
 - (b) be prepared in accordance with regulations made by the Department.
- (6) The trustees of a collective money purchase scheme must—
 - (a) keep the continuity strategy under review, and
 - (b) revise it if appropriate.
- (7) The trustees must provide the continuity strategy to the Pensions Regulator—
 - (a) on application for authorisation (see section 59),
 - (b) within three months of the continuity strategy being revised, and
 - (c) at any other time, on request from the Pensions Regulator.
- (8) In deciding whether a continuity strategy is adequate, the Pensions Regulator must take into account any matters specified in regulations made by the Department.
- (9) Regulations under subsection (8) may include provision requiring specified information to be provided to the Pensions Regulator.
- (10) Regulations under this section are subject to confirmatory procedure.

Commencement Information

I13 S. 68 in force at Royal Assent for specified purposes, see s. 131(3)(a)

I14 S. 68 in force at 1.8.2022 in so far as not already in force by S.R. 2022/197, art. 3(a)

Changes to legislation:

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