



# Pension Schemes Act 2021

## 2021 CHAPTER 1

### PART 2

#### COLLECTIVE MONEY PURCHASE BENEFITS: NORTHERN IRELAND

##### *Valuation and benefit adjustment*

#### **69 Calculation of benefits**

- (1) A collective money purchase scheme must have rules about how the rate or amount of benefits provided under the scheme is to be determined.
- (2) The rules must include—
  - (a) rules for determining the available assets of the scheme and their value,
  - (b) rules for determining the required amount, and
  - (c) rules about how the rate or amount of benefits provided under the scheme is to be adjusted from time to time, including rules about when adjustments are to take effect.
- (3) In this section “the available assets of the scheme” and “the required amount” have the meaning given in section 53(2).
- (4) The Department may by regulations make provision about the matters mentioned in subsections (1) and (2), including provision about the methods and assumptions to be used.
- (5) Regulations under subsection (4) making provision about the determination of the required amount may, among other things, make provision about—
  - (a) how past or proposed adjustments to the rate or amount of benefits provided under the scheme are to be treated;
  - (b) assumptions to be made about future adjustments to the rate or amount of such benefits.
- (6) Regulations under subsection (4) may, among other things—

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- (a) provide for alternative methods and assumptions;
  - (b) require or enable the trustees to decide which methods and assumptions are to be used;
  - (c) specify matters that the trustees must take into account, or principles they must follow, in making such decisions.
- (7) Regulations under subsection (4)—
- (a) may make provision applying in relation to rights under the scheme that have already accrued;
  - (b) override the rules of the scheme to the extent that the rules conflict with the regulations.
- (8) Regulations under subsection (4) are subject to confirmatory procedure.

**Commencement Information**

- I1** [S. 69](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(a\)](#)
- I2** [S. 69](#) in force at 1.8.2022 in so far as not already in force by [S.R. 2022/197](#), [art. 3\(a\)](#)

**70 Advice of scheme actuary**

- (1) The trustees of a collective money purchase scheme must obtain the advice of the scheme actuary before making a decision as to the methods and assumptions to be used in determining the matters mentioned in section 69(1) and (2).
- (2) The Department may by regulations specify requirements with which the scheme actuary must comply when advising the trustees in accordance with subsection (1).
- (3) Regulations under subsection (2) may, among other things, require the scheme actuary to have regard to guidance that is prepared, and from time to time revised, by a person specified or described in the regulations.
- (4) Article 10 of the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) (civil penalties) applies to a trustee who fails to take all reasonable steps to comply with subsection (1).
- (5) The first regulations under subsection (2) are subject to confirmatory procedure.
- (6) Subsequent regulations under subsection (2) are subject to negative resolution.

**Commencement Information**

- I3** [S. 70](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(a\)](#)
- I4** [S. 70](#) in force at 1.8.2022 in so far as not already in force by [S.R. 2022/197](#), [art. 3\(a\)](#)

**71 Actuarial valuations**

- (1) The trustees of a collective money purchase scheme must obtain actuarial valuations in accordance with this section and regulations under subsection (5).
- (2) In this Part “actuarial valuation” means a report prepared and signed by the scheme actuary setting out—

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- (a) the available assets of the scheme and their value;
  - (b) the required amount;
  - (c) whether an adjustment to the rate or amount of benefits provided under the scheme is required and, if so, the amount of the adjustment.
- (3) In this section “the available assets of the scheme” and “the required amount” have the meaning given in section 53(2).
- (4) A scheme actuary preparing an actuarial valuation in pursuance of a provision of this Part must determine the matters mentioned in subsection (2) in accordance with the scheme rules.
- (5) The Department may by regulations make provision about actuarial valuations, including—
- (a) provision about when actuarial valuations must be prepared;
  - (b) provision about the date by reference to which a determination must be made;
  - (c) provision about information and statements that an actuarial valuation must contain;
  - (d) provision requiring the trustees to obtain an actuarial valuation from the scheme actuary within a period specified or described in the regulations;
  - (e) provision requiring the trustees to send an actuarial valuation received by them to the Pensions Regulator within a period specified or described in the regulations.
- (6) In a case that is not the subject of regulations under subsection (5)(a), the trustees must obtain—
- (a) an actuarial valuation in which the date by reference to which the available assets of the scheme are determined (“the effective date”) falls within the period of one year beginning with the day on which the scheme was established, and
  - (b) subsequent actuarial valuations in which the effective date is not more than one year after the effective date of the previous actuarial valuation.
- (7) In a case that is not the subject of regulations under subsection (5)(b), the required amount must be determined by reference to the effective date.
- (8) Article 10 of the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) (civil penalties) applies to a trustee who fails to take all reasonable steps to comply with this section.
- (9) Nothing in this section affects a power or duty of the trustees of a collective money purchase scheme to obtain actuarial valuations on other occasions.
- (10) The first regulations under subsection (5) are subject to confirmatory procedure.
- (11) Subsequent regulations under subsection (5) are subject to negative resolution.

#### **Commencement Information**

**I5** S. 71 in force at Royal Assent for specified purposes, see s. 131(3)(a)

**I6** S. 71 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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## 72 Certificate that actuarial valuation prepared in accordance with scheme rules

A scheme actuary who prepares an actuarial valuation in pursuance of a provision of this Part must certify that the matters mentioned in section 71(2) have been determined in accordance with the scheme rules.

### Commencement Information

- I7** [S. 72](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(a\)](#)  
**I8** [S. 72](#) in force at 1.8.2022 in so far as not already in force by [S.R. 2022/197](#), [art. 3\(a\)](#)

## 73 Benefits adjustments

- (1) This section applies where an adjustment to the rate or amount of benefits provided under a collective money purchase scheme is required in accordance with the scheme rules.
- (2) The trustees must as soon as is reasonably practicable report in writing to the Pensions Regulator if the adjustment—
  - (a) is not made in accordance with the most recent actuarial valuation, or
  - (b) does not take effect in accordance with the scheme rules.
- (3) A report under subsection (2) must—
  - (a) explain why the adjustment was not made in accordance with the most recent actuarial valuation or (as the case may be) does not take effect in accordance with the scheme rules;
  - (b) contain such other information as the Department may specify in regulations.
- (4) Article 10 of the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) (civil penalties) applies to a trustee who fails to take all reasonable steps to comply with this section.
- (5) Regulations under subsection (3)(b) are subject to negative resolution.

### Commencement Information

- I9** [S. 73](#) in force at Royal Assent for specified purposes, see [s. 131\(3\)\(a\)](#)  
**I10** [S. 73](#) in force at 1.8.2022 in so far as not already in force by [S.R. 2022/197](#), [art. 3\(a\)](#)

## 74 Powers of the Pensions Regulator

- (1) The powers conferred by this section are exercisable where it appears to the Pensions Regulator (as a result of a report made to it or otherwise) that the trustees of a collective money purchase scheme have without good reason—
  - (a) failed to comply with a requirement imposed by or under this Part to obtain an actuarial valuation, or
  - (b) failed to secure that any adjustment to the rate or amount of benefits provided under the scheme which is required in accordance with the scheme rules—
    - (i) is made in accordance with the most recent actuarial valuation, and
    - (ii) takes effect in accordance with the scheme rules.

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- (2) The Pensions Regulator may direct the trustees—
  - (a) to obtain an actuarial valuation;
  - (b) to take such other steps as the Pensions Regulator considers appropriate to remedy or mitigate the failure.
- (3) A direction under subsection (2)(a) must—
  - (a) specify the period within which the valuation is to be obtained;
  - (b) specify the date by reference to which the matters to be set out in the actuarial valuation are to be determined;
  - (c) contain such other information as the Department may specify in regulations.
- (4) In exercising a power conferred by this section, the Pensions Regulator must comply with any requirements specified in regulations made by the Department.
- (5) Article 10 of the Pensions (Northern Ireland) Order 1995 (civil penalties) applies to a trustee who fails to take all reasonable steps to comply with a direction under this section.
- (6) Regulations under this section are subject to negative resolution.
- (7) The powers conferred by this section are in addition to any powers exercisable by the Pensions Regulator under any other statutory provision.

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**Commencement Information**

**I11** S. 74 in force at Royal Assent for specified purposes, see s. 131(3)(a)

**I12** S. 74 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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