



Pension Schemes Act 2021

2021 CHAPTER 1

PART 1

COLLECTIVE MONEY PURCHASE BENEFITS

Valuation and benefit adjustment

18 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 2(2).
- (4) The Secretary of State 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—

Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act 2021, Section 18. (See end of Document for details)

- (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 affirmative resolution procedure.

Commencement Information

I1 S. 18 in force at Royal Assent for specified purposes, see s. 131(3)(a)

I2 S. 18 in force at 1.8.2022 in so far as not already in force by S.I. 2022/721, reg. 3(a)

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