



Pension Schemes Act 2021

2021 CHAPTER 1

PART 1

COLLECTIVE MONEY PURCHASE BENEFITS

Definitions

3 Qualifying schemes

- (1) A pension scheme is a “qualifying scheme” if it meets the requirements in this section.
- (2) The scheme must be an occupational pension scheme established under an irrevocable trust by a person or persons to whom section 1(2)(a) (employer) of the Pension Schemes Act 1993 applied when the scheme was established (without other persons).
- (3) The scheme must be used, or intended to be used, only by—
 - (a) a single employer, or
 - (b) two or more employers that are connected with each other.
- (4) The scheme must not be a relevant public service pension scheme (see section 4).
- (5) The qualifying benefits provided under the scheme must consist of or include the payment of a pension.
- (6) If the scheme provides both qualifying benefits and other benefits, there must be appropriate separation of the qualifying benefits.
- (7) There is “appropriate separation” of qualifying benefits and other benefits if (and only if)—
 - (a) the scheme is divided into sections,
 - (b) none of the sections under which qualifying benefits are provided provides other types of benefit,
 - (c) payments made by or in respect of members of the scheme for the purpose of providing qualifying benefits under a section of the scheme are allocated to that section, and

Status: This is the original version (as it was originally enacted).

- (d) a proportion of the assets of the scheme is attributable to each section of the scheme and cannot be used for the purposes of any other section.
- (8) If the scheme provides a combination of qualifying benefits with different characteristics that is described in regulations made by the Secretary of State, there must be appropriate separation of those qualifying benefits.
- (9) There is “appropriate separation” of qualifying benefits with different characteristics if (and only if)—
- (a) the scheme is divided into sections,
 - (b) each of the different types of qualifying benefit is provided under a different section,
 - (c) payments made by or in respect of members of the scheme for the purpose of providing qualifying benefits under a section of the scheme are allocated to that section, and
 - (d) a proportion of the assets of the scheme is attributable to each section of the scheme and cannot be used for the purposes of any other section.
- (10) Regulations under subsection (8) are subject to negative resolution procedure.