Pension Schemes Act 2021

2021 CHAPTER 1

PART 2

COLLECTIVE MONEY PURCHASE BENEFITS: NORTHERN IRELAND

Triggering events and continuity options

89   Continuity option 3: conversion to closed scheme

(1) This section applies where the trustees of a collective money purchase scheme decide to pursue continuity option 3.

(2) The trustees must notify the Pensions Regulator when they consider that preparations for the conversion of the scheme into a closed scheme are complete.

(3) The Department may by regulations require notification under subsection (2) to be given before the end of a period specified in the regulations.

(4) If the Pensions Regulator is satisfied—
   (a) that preparations for the conversion of the scheme into a closed scheme are complete, and
   (b) that the conversion will resolve the triggering event giving rise to the decision to pursue continuity option 3, and any other event within the triggering events table that has subsequently occurred in relation to the collective money purchase scheme,

the Regulator must notify the trustees accordingly.

(5) The conversion of the scheme into a closed scheme may be carried out only in accordance with the provisions of the scheme.

(6) The scheme may not begin operating as a closed scheme until the trustees have received notification under subsection (4).

(7) Where the trustees have pursued continuity option 3 they may not later reverse the closure of the scheme (either completely or to any extent).

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(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 comply with a requirement or restriction imposed by this section.

(9) Regulations under subsection (3) are subject to negative resolution.

(10) In this section "closed", in relation to a collective money purchase scheme, means closed to new contributions or new members (or both).

The reference to closure of the scheme in subsection (7) is to be read accordingly.