

2007 No. 60

PENSIONS

The Occupational and Personal Pension Schemes (Prescribed Bodies) Regulations 2007

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| <i>Made</i> | - - - - | <i>15th January 2007</i> |
| <i>Laid before Parliament</i> | | <i>19th January 2007</i> |
| <i>Coming into force</i> | - - | <i>6th April 2007</i> |

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 12A(4) and (5), 27(3), 97(1) and (2), 101AF(1) and (2), 101I, 101L(1), 113(1) and (3A), 181(1), 182(2) and (3) and 183 of the Pension Schemes Act 1993(a), sections 67D(4) and (5), 75(5), 119, 124(1) and 174(2) and (3) of the Pensions Act 1995(b), sections 23(1)(b) and (c) and (2), 26(1) and 30(2) of, and paragraphs 5(b), 7(3) and 13 of Schedule 5 to, the Welfare Reform and Pensions Act 1999(c) and sections 230(2) and (3) and 318(1) of the Pensions Act 2004(d).

In accordance with section 185(1)(e) of the Pension Schemes Act 1993, section 120(1) of the Pensions Act 1995, section 83(11) of the Welfare Reform and Pensions Act 1999 and section 317(1) of the Pensions Act 2004, he has consulted with such persons as he considers appropriate.

Citation and commencement

1. These Regulations may be cited as the Occupational and Personal Pension Schemes (Prescribed Bodies) Regulations 2007 and shall come into force on 6th April 2007.

Amendment of regulations

2. The Schedule to these Regulations shall have effect.

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- (a) 1993 c.48. Section 181(1) is cited for the meaning there given to “prescribed” and “regulations”. Section 12A was inserted by section 136(5) of the Pensions Act 1995 (c.26), section 97(2) was amended by paragraph 4 of Schedule 6 to the Pensions Act 1995 and paragraph 8 of Schedule 5 to the Child Support, Pensions and Social Security Act 2000 (c.19), section 101AF was inserted by section 264 of the Pensions Act 2004 (c.35), sections 101I and L were inserted by section 37 of the Welfare Reform and Pensions Act 1999 (c.30), section 113(1) was amended by, and section 113(3A) was inserted by, section 52 of the Child Support, Pensions and Social Security Act 2000.
- (b) 1995 c.26. Section 124(1) is cited for the meaning there given to “prescribed” and “regulations”. Section 67D was inserted by section 262 of the Pensions Act 2004, section 75(5) was amended by section 271(3) of the Pensions Act 2004 and section 119 was amended by paragraph 68 of Schedule 12 to the Pensions Act 2004.
- (c) 1999 c.30. Section 26(1) is cited for the meaning there given to “prescribed”. Section 23(1)(b) was amended by paragraph 157(1) and (4) of Schedule 27 to the Civil Partnerships Act 2004 (c.33).
- (d) 2004 c.35. Section 318(1) is cited for the meaning there given to “prescribed” and “regulations”.
- (e) Section 185(1) was amended by paragraph 46 of Schedule 3 and paragraph 80 of Schedule 5 to the Pensions Act 1995.

Signed by authority of the Secretary of State for Work and Pensions.

15th January 2007

James Purnell
Minister of State,
Department for Work and Pensions

SCHEDULE

Amendment of regulations

1. In regulation 1(2) of the Personal Pension Schemes (Disclosure of Information) Regulations 1987(**a**) (interpretation)—

(a) in the appropriate alphabetical place insert—

““the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council(**b**);”; and

(b) in the definition of “the relevant guidance” for paragraph (a), substitute—

“(a) is adopted or prepared, and from time to time revised, by the Board for Actuarial Standards; and”.

2. In the Personal Pension Schemes (Transfer Values) Regulations 1987(**c**)—

(a) in regulation 1(2)(**d**) (interpretation), in the appropriate alphabetical place insert—

““the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”; and

(b) for head (ii) of regulation 3(2)(b) (manner of calculation and verification of cash equivalents), substitute—

“(ii) with “Retirement Benefit Schemes - Transfer Values (GN11)”, adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and current on the date of the calculation.”.

3. In the Occupational Pension Schemes (Contracting-out) Regulations 1996(**e**)—

(a) in regulation 1(2)(**f**) (interpretation), in the appropriate alphabetical place insert—

““the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”; and

(b) for paragraph (a) of regulation 23 (requirements for meeting the statutory standard), substitute—

“(a) must follow guidance note GN28 adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and approved by the Secretary of State;”.

4. In the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996(**g**)—

(a) in regulation 1(2)(**h**) (interpretation), in the appropriate alphabetical place insert—

(a) S.I. 1987/1110, regulation 1(2) was amended by S.I. 1992/1531, 1994/1062, 1996/776, 1997/786, 2000/ 2691 and 2002/1383.

(b) The Financial Reporting Council can be contacted at Planning & Resources, 5th floor, Aldwych House, 71-91 Aldwych, London, WC2B 4HN.

(c) S.I. 1987/1112.

(d) Regulation 1(2) was amended by S.I. 1994/1062.

(e) S.I. 1996/1172.

(f) Regulation 1(2) was amended by Schedule 2 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c.12) and by S.I. 1997/786, 1999/3198, 2000/2975, 2005/3377 and 2006/744.

(g) S.I. 1996/1537.

(h) Regulation 1(2) was amended by S.I. 1997/786, 1999/3198 and 2005/704 and 2050.

““the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”; and

- (b) for head (ii) of regulation 2(2)(b) (manner of calculation and verification of protected rights), substitute—

“(ii) are certified by an actuary to the trustees or managers of the scheme as being consistent with the requirements of sections 9(3) and (5), 10 and 26 to 32 of the 1993 Act and as being consistent with the guidance note “Retirement Benefit Schemes - Transfer Values (GN11)” adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and current on the date of the calculation.”.

5. In regulation 1(2) of the Occupational Pension Schemes (Disclosure of Information) Regulations 1996(a) (interpretation)—

- (a) in the appropriate alphabetical place insert—

““the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”; and

- (b) in the definition of “the relevant guidance” for paragraph (a), substitute—

“(a) is adopted or prepared, and from time to time revised, by the Board for Actuarial Standards; and”.

6. In the Occupational Pension Schemes (Transfer Values) Regulations 1996(b)—

- (a) in regulation 1(2)(c) (interpretation) in the appropriate alphabetical place insert—

““the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”; and

- (b) for head (ii) of regulation 7(3)(b)(d) (manner of calculation and verification of cash equivalents), substitute—

“(ii) as being consistent with “Retirement Benefit Schemes - Transfer Values (GN11)” adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and current on the guarantee date, or if the cash equivalent is of money purchase benefits, on the relevant date;”; and

- (c) for regulation 8(4J)(e) (further provisions as to calculation of cash equivalents and increases and reductions of cash equivalents (other than guaranteed cash equivalents)), substitute—

“(4J) The references in this regulation to the actuary’s last relevant GN11 report are to his last report before the guarantee date in accordance with “Retirement Benefit Schemes - Transfer Values (GN11)” adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and current on the guarantee date.”.

7. In regulation 1 of the Occupational Pension Schemes (Winding Up) Regulations 1996(f) (citation, commencement and interpretation)—

- (a) in paragraph (4)(g), in the appropriate alphabetical place insert—

““the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”; and

- (b) for paragraph (5), substitute—

“(5) References in these Regulations to the guidance given in GN 19 are to the guidelines on winding up and scheme asset deficiency (GN 19), adopted or prepared, and from time to

(a) S.I. 1996/1655, regulation 1(2) is amended by S.I. 1997/786, 2000/1403 and 2691, 2002/1383 and 2005/704 and 3377.

(b) S.I. 1996/1847.

(c) Regulation 1(2) is amended by S.I. 1997/786 and 1613, 2003/1727 and 2005/3377.

(d) Regulation 7(3)(b)(ii) is amended by S.I. 1997/786 and 2005/3377.

(e) Regulation 8(4J) is substituted by S.I. 2005/706.

(f) S.I. 1996/3126.

(g) Regulation 1(4) is substituted by S.I. 2000/2691.

time revised, by the Board for Actuarial Standards and approved for the purposes of these Regulations by the Secretary of State, as they apply as respects schemes of the description in question with such revisions as have been so approved as at the date on which the valuation in question is made.”.

8. In the Occupational Pension Schemes (Deficiency on Winding Up etc.) Regulations 1996(a)—

- (a) in regulation 2 (interpretation)—
 - (i) in paragraph (2)(b), in the appropriate alphabetical place insert—

“the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”; and
 - (ii) for paragraph (5), substitute—

“(5) References in these Regulations to the guidance in GN 19 are to the guidelines on winding up and scheme asset deficiency (GN 19), adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and approved for the purposes of these Regulations by the Secretary of State, with such revisions as have been so approved at the applicable time.”; and
- (b) in Schedule 1(c) (form of actuary’s certificate) after “(GN 19)” insert “adopted or prepared, and from time to time revised by the Board for Actuarial Standards”.

9. In the Pensions on Divorce etc. (Provision of Information) Regulations 2000(d)—

- (a) in regulation 1(2)(e) (interpretation), in the appropriate alphabetical place insert—

“the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”; and
- (b) for sub-paragraph (b) of regulation 3(8) (information about pensions and divorce and dissolution of a civil partnership: valuation of pension benefits), substitute—

“(b) are certified by the actuary to the person responsible for the pension arrangement in question as being consistent with “Retirement Benefit Schemes - Transfer Values (GN 11)” adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and current on the date on which the request for the valuation is received.”.

10. In the Pension Sharing (Valuation) Regulations 2000(f)—

- (a) in regulation 1(2)(g) (interpretation), in the appropriate alphabetical place insert—

“the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”;
- (b) for head (i) of regulation 4(3)(b)(h) (occupational pension schemes: manner of calculation and verification of cash equivalents), substitute—

“(i) as being consistent with “Retirement Benefit Schemes - Transfer Values (GN11)” adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and current on the valuation day; and”;
- (c) for regulation 5(3J)(i) (occupational pension schemes: further provisions as to the calculation of cash equivalents and increases and reductions of cash equivalents), substitute—

(a) S.I. 1996/3128.

(b) Paragraph (2) was amended by S.I. 1997/786 and 3038.

(c) Schedule 1 was amended by S.I. 2002/380 and 2005/72 and 678.

(d) S.I. 2000/1048.

(e) Regulation 1(2) was amended by S.I. 2000/2691, 2005/2877 and 2006/744.

(f) S.I. 2000/1052.

(g) Regulation 1(2) was amended by S.I. 2000/2691, 2003/1727, 2005/3377 and 2006/744.

(h) Regulation 4(3)(b)(i) was amended by S.I. 2005/3377.

(i) Regulation 5(3J) was substituted by S.I. 2005/706.

“(3J) The references in this regulation to the actuary’s last relevant GN11 report are to his last report before the valuation day in accordance with “Retirement Benefit Schemes - Transfer Values (GN11)” adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and current on the valuation day.”; and

- (d) for sub-paragraph (b) of regulation 6(2) (other relevant arrangements: manner of calculation and verification of cash equivalents), substitute—

“(b) are certified by an actuary to the person responsible for the arrangement as being consistent with “Retirement Benefit Schemes - Transfer Values (GN11)”, adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and current on the valuation day.”.

11. In the Pension Sharing (Implementation and Discharge of Liability) Regulations 2000(a)—

- (a) in regulation 1(2)(b) (interpretation), in the appropriate alphabetical place insert—

““the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”;

- (b) for sub-paragraph (b) of regulation 10(1) (calculation of the value of appropriate rights), substitute—

“(b) Retirement Benefit Schemes - Transfer Values (GN11) adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and current on the valuation day.”; and

- (c) for regulation 16(2J)(c) (adjustments to the amount of the pension credit – occupational pension schemes which are underfunded on the valuation day), substitute—

“(2J) The references in this regulation to the actuary’s last relevant GN11 report are to his last report before the valuation day in accordance with “Retirement Benefit Schemes - Transfer Values (GN11)” adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and current on the valuation day.”.

12. In the Pension Sharing (Pension Credit Benefit) Regulations 2000(d)—

- (a) in regulation 1(2)(e) (interpretation), in the appropriate alphabetical place insert—

““the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”;

- (b) for head (ii) of regulation 24(3)(b)(f) (manner of calculation and verification of cash equivalents), substitute—

“(ii) as being consistent with “Retirement Benefit Schemes - Transfer Values (GN11)” adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and current on the valuation date; and”;

- (c) for regulation 27(4J)(g) (increases and reductions of cash equivalents before a statement of entitlement has been sent to the eligible member), substitute—

“(4J) The references in this regulation to the actuary’s last relevant GN11 report are to his last report before the reference date in accordance with “Retirement Benefit Schemes - Transfer Values (GN11)” adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and current on the reference date.”.

13. In regulation 1(3) of the Stakeholder Pension Schemes Regulations 2000(h) (interpretation)—

(a) S.I. 2000/1053.

(b) Regulation 1(2) was amended by S.I. 2000/2691, 2001/3649, 2003/1727 and 2005/3377.

(c) Regulation 16(2J) was substituted by S.I. 2005/706.

(d) S.I. 2000/1054.

(e) Regulation 1(2) was amended by S.I. 2000/2691, 2001/3649, 2003/1727 and 2005/3377.

(f) Regulation 24(3)(b)(ii) was amended by S.I. 2005/3377.

(g) Regulation 27(4J) was substituted by S.I. 2005/706.

(h) S.I. 2000/1403. Regulation 1(3) was amended by S.I. 2001/934 and 3649, 2002/1383 and 1555, 2005/577 and 2006/744.

- (a) in the appropriate alphabetical place insert—
 - ““the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”; and
- (b) in the definition of “the relevant guidance” for paragraph (a), substitute—
 - “(a) is adopted or prepared, and from time to time revised, by the Board for Actuarial Standards; and”.

14. In the Occupational Pension Schemes (Employer Debt) Regulations 2005(a)—

- (a) in regulation 2(b) (interpretation)—
 - (i) in paragraph (1) in the appropriate alphabetical place insert—
 - ““the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”; and
 - (ii) for paragraph (3), substitute—
 - “(3) References in these Regulations to the guidance in GN19 are to the guidelines on winding up and scheme asset deficiency (GN19), adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and approved for the purposes of these Regulations by the Secretary of State, with such revisions as have been so approved at the applicable time.”; and
- (b) in Schedules 1 (form of actuary’s certificate) and 1B(c) (form of actuary’s certificate: scheme funding basis debts in approved withdrawal arrangement cases) after “(GN19)” insert “adopted or prepared, and from time to time revised by the Board for Actuarial Standards”.

15. In the Occupational Pension Schemes (Scheme Funding) Regulations 2005(d)—

- (a) in regulation 2 (interpretation), in the appropriate alphabetical place insert—
 - ““the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”; and
- (b) for regulation 15 (guidance relating to actuarial advice), substitute—

“Guidance relating to actuarial advice

15. When advising the trustees or managers of a scheme on any of the matters specified in section 230(1) of the 2004 Act, the actuary shall have regard to the guidance note “Occupational Pension Schemes - scheme funding matters on which advice of actuary must be obtained” (GN49) adopted or prepared, and from time to time revised, by the Board for Actuarial Standards and approved for the purposes of these Regulations by the Secretary of State, with such revisions as have been so approved.”.

16. In the Occupational Pension Schemes (Early Leavers: Cash Transfer Sums and Contribution Refunds) Regulations 2006(e)—

- (a) in regulation 1(2) (interpretation), in the appropriate alphabetical place insert—
 - ““the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”; and
- (b) for head (ii) of regulation 2(3)(b) (calculation and verification of cash transfer sum), substitute—
 - “(ii) as being consistent with “Retirement Benefit Schemes - Transfer Values (GN11)” adopted or prepared, and from time to time revised, by the Board for

(a) S.I. 2005/678.
 (b) Regulation 2(1) was amended by S.I. 2005/2224.
 (c) Schedule 1B inserted by S.I. 2005/2224.
 (d) S.I. 2005/3377.
 (e) S.I. 2006/33.

Actuarial Standards and current at the date on which the cash transfer sum is calculated.”; and

- (c) for regulation 4(5) (reduction of cash transfer sums and contribution refunds), substitute—

“(5) The references in this regulation to the actuary’s last relevant GN11 report are to his last report, in accordance with “Retirement Benefit Schemes - Transfer Values (GN11)” adopted or prepared, and from time to time revised, by the Board for Actuarial Standards, before the cash transfer sum is calculated.”.

17. In the Occupational Pension Schemes (Modification of Schemes) Regulations 2006(a)—

- (a) in regulation 1(3) (interpretation) in the appropriate alphabetical place insert—

““the Board for Actuarial Standards” means the operating body of that name of the Financial Reporting Council;”; and

- (b) for sub-paragraph (b) of regulation 5(2) (calculation of the actuarial value of affected member’s subsisting rights), substitute—

“(b) shall ensure that the calculation of the actuarial value of an affected member’s subsisting rights is made in accordance with any guidance that is adopted or prepared, and from time to time revised, by the Board for Actuarial Standards which is current on the date that the actuarial equivalence statement is obtained by the trustees;”.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations update references to the prescribed body in a number of occupational and personal pension scheme regulations as a consequence of the transfer of certain functions relating to the regulation of the actuarial profession from the Faculty of Actuaries and the Institute of Actuaries to the Board for Actuarial Standards.

The Board for Actuarial Standards can be contacted at the Financial Reporting Council, Planning & Resources, 5th floor, Aldwych House, 71-91 Aldwych, London, WC2B 4HN.

A full regulatory impact assessment has not been produced for this instrument as it has no impact on the costs of business, charities or the voluntary sector.

(a) S.I. 2006/759.

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