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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make provision in relation to the requirement in section 48 of the Pension Schemes Act 2015 (c.8) (“the Act”), that trustees or managers of a pension scheme check that appropriate independent advice has been received by a member or survivor before the trustees or managers can carry out the transactions specified in that section. These Regulations also make provision under section 49 of the Act, specifying circumstances in which an employer must pay for the provision of appropriate independent advice to a member or survivor when this is required by section 48.

Regulation 2 contains transitional provisions related to the coming into force of section 48 of the Act. Regulations 3 and 4 further define “appropriate independent advice” and “authorised independent adviser”.

Regulation 5 provides for an exception to the requirement in section 48(1) of the Act, where the value of the member’s or survivor’s safeguarded benefits under the scheme are worth £30,000 or less.

Regulation 6 sets out the information to be provided to the member or survivor in the circumstances and according to the requirements set out in regulations 8, 9 and 10, and regulation 7 sets out the required form of confirmation that appropriate independent advice has been received.

Regulations 8, 9 and 10 set out circumstances in which the information in regulation 6 must be provided, and what else trustees and managers must do to check that appropriate independent advice has received by the member or survivor.

Regulation 11 requires the trustees or managers to check the FCA maintained Financial Services Register to ensure the person providing the advice is an authorised independent adviser.

Regulation 12 requires that where an employer sends a communication to two or more members or survivors which encourages, persuades or induces them to carry out a transaction to which section 48 of the Act relates, that employer must arrange or pay for the member to receive appropriate independent advice.

An assessment of the impact of the policy reflected in sections 48 and 49 of the Act on business and civil society organisations was published in November 2014 and can be found at <http://www.parliament.uk/documents/impact-assessments/IA14-13A.pdf>. Copies may also be obtained from the Better Regulation Unit of the Department for Work and Pensions, 2D, Caxton House, Tothill Street, London DW1H 9NA.