
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Occupational Pension Schemes (Charges and Governance) Regulations 2015 (S.I. 2015/879) (“the Principal Regulations”).

Regulation 3 inserts new definitions into regulation 2(1) of the Principal Regulations, including definitions of “adviser” and “service provider”.

Regulation 4 makes consequential amendments to the Principal Regulations and regulation 5 corrects a typographical error.

Regulation 6 inserts new regulations 11A to 11C into the Principal Regulations.

Regulation 11A sets out that charges may not be imposed on members of certain occupational pension schemes where they are used to pay an adviser or to reimburse the service provider for a payment that they have made to an adviser. The duty to comply with regulation 11A is placed on service providers to those schemes.

Regulation 11B sets out requirements for information to be shared between the trustees and managers of those schemes and their service providers. The requirements of regulation 11A do not apply until the expiry of 1 month beginning with the date on which the trustees or managers provide the notification required by paragraph (1).

Regulation 11C provides that, subject to certain exceptions, the member can enter into an agreement with the adviser to pay charges that would otherwise be prohibited by these Regulations.

Regulations 7 to 10 make consequential and technical amendments to the compliance provisions in Part 4 of the Principal Regulations. Regulation 11 corrects a formatting error in the Principal Regulations. Regulation 12 sets out that the service provisions in sections 303 to 305 of the Pensions Act 2004 (c. 35) apply for the purpose of service of notices in the Principal Regulations.

Regulation 13 requires the Secretary of State to review the operation and effect of these Regulations and to publish a report every 5 years. Following a review, it will fall to the Secretary of State to consider whether these Regulations should remain as they are, be revoked or be amended. A further instrument would be needed to revoke or amend these Regulations.

An assessment of the impact of the regulations in this instrument on the private sector and civil society organisations has been made. A copy of the impact assessment is available in the libraries of both Houses of Parliament and alongside this instrument on www.legislation.gov.uk. Copies may also be obtained from the Better Regulation Unit of the Department for Work and Pensions, 2D, Caxton House, Tothill Street, London SW1H 9NA.