
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022 (S.I. 2022/255) (the “CMP Regulations”).

Regulation 3 of these Regulations amends regulation 17 of the CMP Regulations so that increases required in the rate or amount of benefits under a collective money purchase scheme must be applied to offset any planned reduction under a multi-annual reduction, or reductions, then in effect. Further, regulation 17(4)(e) of the CMP Regulations is amended so that scheme rules must provide that the methodology for applying increases set out in regulation 17(4)(e) does not apply when a multi-annual reduction is in effect.

Regulation 4 amends regulation 19(4) of the CMP Regulations to specify additional details that must be contained in an actuarial valuation prepared in accordance with section 20(1) of the Pension Schemes Act 2021 (c. 1), as a result of the amendments to regulation 17 of the CMP Regulations.

Regulation 5 of these Regulations amends paragraphs 1 and 2 of Schedule 6 to the CMP Regulations to provide for additional types of fund to which a beneficiary’s accrued rights to benefits under a collective money purchase scheme can be transferred during wind-up of the scheme.

Regulation 5 also amends paragraph 14(2) of Schedule 6 to the CMP Regulations to provide for alternative ways a scheme’s liability to the beneficiary may be discharged.

A full impact assessment of the effect that the CMP Regulations will have on the costs to business, the voluntary sector and civil society organisations has been made and was published with the Explanatory Memorandum alongside that instrument on www.legislation.gov.uk. A hard copy of the impact assessment may be obtained from the Department for Work and Pensions, Caxton House, Tothill Street, London SW1H 9NA. A separate impact assessment has not been carried out for these Regulations as they do not introduce any changes to the original policy.