
STATUTORY INSTRUMENTS

2022 No. 337

PENSIONS

The Occupational Pension Schemes (Collective Money Purchase Schemes) (Modifications and Consequential and Miscellaneous Amendments) Regulations 2022

<i>Made</i>	- - - -	<i>17th March 2022</i>
<i>Laid before Parliament</i>		<i>21st March 2022</i>
<i>Coming into force</i>	- -	<i>1st August 2022</i>

The Secretary of State for Work and Pensions makes the following Regulations, in exercise of the powers conferred by sections 73(2)(b) and (4)(b), 97(1), (2), (3) and (4), 113(1), (2), (3) and (6), 181(1) and 182(2)(a) and (b) of the Pension Schemes Act 1993(1), sections 35(4), 67(3A) 73(2)(b), 75(1) 89(2), 94(1)(b) and 174(2) of the Pensions Act 1995(2), sections 1(1), 8(1) and 83(4) of the Welfare Reform and Pensions Act 1999(3), sections 221(1)(b) and (2), 259(1) and (2), 307(1)(a), 315(2) and 318(1) of the Pensions Act 2004(4) and sections 46(1) and (2) and 51(2) of the Pension Schemes Act 2021(5).

In accordance with section 185(1) of the Pension Schemes Act 1993(6), section 120(1) of the Pensions Act 1995 and section 317(1) of the Pensions Act 2004, the Secretary of State has consulted with such persons as the Secretary of State considers appropriate.

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- (1) 1993 c. 48. Section 70(2) was amended by the Welfare Reform and Pensions Act 1999 (c. 30), sections 18, 88, Schedule 2, paragraphs 3(2)(a), and Schedule 13, Part 1. Section 113(1) was amended by the Child Support, Pensions and Social Security Act 2000 (c. 19), section 52(1). Section 181(1) is cited for the meanings it gives to “prescribed” and “regulations”.
 - (2) 1995 c. 26. Section 35 was substituted by the Pensions Act 2004 (c. 35), section 244. Section 67(3A) was inserted by the Pension Schemes Act 2021 (c. 1), section 24(1) and (2)(e). Section 73 was substituted by the Pensions Act 2004, section 270(1). Section 89(2) was amended by the Pensions Act 2004, sections 319(1), 320, Schedule 12, paragraphs 34 and 66(b) and Schedule 13, Part 1.
 - (3) 1999 c. 30. Section 1(1) was amended by the Pensions Act 2004, section 285(1) and (2), and by the Pensions Act 2007 (c. 22), Schedule 4, Part 1, paragraph 37(a).
 - (4) 2004 c. 35. Section 307(1) was amended by the Pensions Act 2011 (c. 19), section 31(2). Section 318(1) is cited for the meanings of “prescribed” and “regulations”.
 - (5) 2021 c. 1.
 - (6) Section 185(1) was amended by the Pensions Act 1995, sections 122, 151 and 177, paragraph 46 of Schedule 3, paragraph 80 of Schedule 5 and Part 1 of Schedule 7.

PART 1

Introduction

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Occupational Pension Schemes (Collective Money Purchase Schemes) (Modifications and Consequential and Miscellaneous Amendments) Regulations 2022.

- (2) These Regulations extend to England and Wales and Scotland.
- (3) These Regulations come into force on 1st August 2022.

PART 2

Amendments

Amendments to the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991

2.—(1) The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991(7) are amended as follows.

- (2) In regulation 12 (transfer of member’s accrued rights without consent)(8)—
 - (a) in paragraph (1), at the beginning of the paragraph, for “For” substitute “Subject to paragraph (3A), for”;
 - (b) after paragraph 3 insert—

“(3A) A scheme may not provide for the member’s accrued rights which are not relevant money purchase rights to be transferred to a collective money purchase scheme without the member’s consent.”;
 - (c) in paragraph (11), in the appropriate place, insert—

““collective money purchase scheme” means a scheme or a section of a scheme which is a collective money purchase scheme for the purposes of Part 1 of the Pension Schemes Act 2021;”.
- (3) After regulation 12 insert—

“Discharge of liabilities by collective money purchase scheme which is winding up

12A.—(1) For the purposes of section 73(4) of the Act, a collective money purchase scheme may provide for the scheme’s liability to a beneficiary in respect of the beneficiary’s accrued rights to benefits under the scheme to be discharged in accordance with the default discharge option for that beneficiary without the consent of the beneficiary where—

- (a) the scheme is pursuing continuity option 1 within the meaning of sections 34 and 36 of the Pension Schemes Act 2021; and
- (b) the trustees of the scheme do not receive a notice from the beneficiary in accordance with paragraph 14 of Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022.

(7) S.I. 1991/167.

(8) Regulation 12 was amended by S.I. 1992/1531, S.I. 1993/1822, S.I. 1994/1062, S.I. 1995/3067, S.I. 1996/2131, S.I. 1999/2543, S.I. 2000/1403, S.I. 2011/672, S.I. 2012/692, S.I. 2013/459, S.I. 2016/200 and S.I. 2018/240.

(2) In this regulation—

“beneficiary” has the meaning given by section 36(8) of the Pension Schemes Act 2021;

“collective money purchase scheme” means a scheme or a section of a scheme which is a collective money purchase scheme for the purposes of Part 1 of the Pension Schemes Act 2021;

“default discharge option” has the meaning given by paragraph 1(1) of Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022.”.

Amendments to the Occupational Pension Schemes (Transfer Values) Regulations 1996

3.—(1) The Occupational Pension Schemes (Transfer Values) Regulations 1996⁽⁹⁾ are amended as follows.

(2) In regulation 1 (citation, commencement and interpretation)⁽¹⁰⁾, in paragraph (2), in the appropriate place insert—

““collective money purchase scheme” means a scheme or a section of a scheme which is a collective money purchase scheme for the purposes of Part 1 of the Pension Schemes Act 2021;”.

(3) After regulation 2 (pre-1986 leavers) insert—

“Collective money purchase schemes during winding-up

2A.—(1) Chapter 1 of Part 4ZA of the 1993 Act does not apply to a member of a collective money purchase scheme which is pursuing continuity option 1 within the meaning of sections 34 and 36 of the Pension Schemes Act 2021, during the winding-up period for that scheme.

(2) In this regulation, “winding-up period” has the meaning given by paragraph 1(1) of Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022.”

(4) In regulation 7 (manner of calculation and verification of cash equivalents – general provisions)⁽¹¹⁾—

(a) in paragraph 1(a)(i), omit “or”;

(b) in paragraph (1)(a)(ii), for “money purchase benefits and cash balance benefits” substitute “cash balance benefits and money purchase benefits other than collective money purchase benefits, or”;

(c) after paragraph (1)(a)(ii) insert—

“(iii) for collective money purchase benefits, in accordance with regulation 7ZC;”;

(d) for paragraph (7) substitute—

“(7) Where the cash equivalent relates to more than one of the benefits specified in paragraphs (1)(a)(i) to (1)(a)(iii), the initial cash equivalent is to be calculated—

(a) for the portion falling within paragraph (1)(a)(i), in accordance with regulations 7A and 7B;

(b) for the portion falling within paragraph (1)(a)(ii), in accordance with regulation 7C; and

⁽⁹⁾ S.I. 1996/1847.

⁽¹⁰⁾ Regulation 1 was amended by S.I. 1997/786, S.I. 1997/1613, S.I. 2003/1727, S.I. 2005/3377, S.I. 2007/60, S.I. 2008/1050, S.I. 2011/1246, S.I. 2012/692, S.I. 2014/1711, and S.I. 2015/498.

⁽¹¹⁾ Regulation 7 was substituted by S.I. 2008/1050 and amended by S.I. 2014/1711.

(c) for the portion falling within paragraph (1)(a)(iii), in accordance with regulation 7ZC.”.

(5) In the heading to regulation 7C (manner of calculation of initial cash equivalents for money purchase benefits and cash balance benefits not calculated by reference to final salary)(12), after “money purchase benefits” insert “(other than collective money purchase benefits)”.

(6) In regulation 7C, in paragraph (1), after “money purchase benefits” insert “other than collective money purchase benefits”.

(7) After regulation 7C insert—

“Manner of calculation of initial cash equivalents for collective money purchase benefits

7ZC.—(1) For collective money purchase benefits, the initial cash equivalent is the realisable value of the member’s share at the date of calculation of the available assets of the collective money purchase scheme, and is to be calculated—

- (a) on an actuarial basis;
- (b) using assumptions determined in accordance with this regulation; and
- (c) in accordance with the scheme rules, to the extent that they are consistent with sub-paragraphs (a) and (b).

(2) Having taken the advice of the actuary, the trustees must—

- (a) determine the economic, financial and demographic assumptions; and
- (b) calculate the initial cash equivalent by using the assumptions so determined.

(3) In determining the demographic assumptions, the trustees must have regard to—

- (a) the main characteristics of the members of the scheme; or
- (b) where the members of the scheme do not form a large enough group to allow demographic assumptions to be made, the characteristics of a wider population sharing similar characteristics to the members.

(4) The trustees must have regard to the scheme’s investment strategy when deciding what assumptions will be included in calculating the discount rates in respect of the member.

(5) The trustees must determine the assumptions under this regulation with the aim that, taken as a whole, they should lead to the best estimate of the initial cash equivalent.

(6) In this regulation, “the available assets of the collective money purchase scheme” has the meaning given by section 2(2) of the Pension Schemes Act 2021 “the available assets of the scheme”.”.

(8) In regulation 13(1) (extension of time limits for payment of cash equivalents)(13)—

- (a) for “section 99(2)(a) or, as the case may be, (b)” substitute “section 99(2)(a), (b) or, as the case may be, (c)(14)”;
- (b) at the end of sub-paragraph (bb) omit “or”;
- (c) after sub-paragraph (bb) insert—

“(bc) the scheme is, or within the three months immediately before the end of that period has been, the subject of a pause order

(12) Regulation 7C was inserted by S.I. 2008/1050 and amended by S.I. 2008/2450, S.I. 2014/1711 and S.I. 2015/498.

(13) Regulation 13(1) was amended by S.I. 2005/686, 2016/200 and 2018/1030; there are other amending instruments but none is relevant.

(14) Section 99(2)(c) was inserted by section 25(4)(c) of the Pension Schemes Act 2021 (c. 1).

under section 44(5) of the Pension Schemes Act 2021⁽¹⁵⁾ which contains a direction under section 44(5)(e) of that Act (no transfers etc. of members' rights); or”;

(d) in sub-paragraph (c), for “(ba) or (bb)” substitute “(ba), (bb) or (bc)”.

(9) In Schedule 1 (information to be made available to members)⁽¹⁶⁾, after paragraph 3 insert—

“4. Where information is made available under this Schedule to a member of a collective money purchase scheme, the information to be made available to such a member also includes—

- (a) a statement that the Money and Pensions Service provides information about transfers that may assist the member in deciding whether to transfer;
- (b) an explanation of any potential adverse consequences for the member of transferring before normal pension age;
- (c) an explanation of the trustees' duties under section 99A of the 1993 Act (trustees' further duties: collective money purchase benefits);
- (d) an explanation that the member will not be able to transfer in the event of the scheme pursuing continuity option 1 within the meaning of sections 34 and 36 of the Pension Schemes Act 2021.”.

Amendment to the Occupational Pension Schemes (Winding Up) Regulations 1996

4. In the Occupational Pension Schemes (Winding up) Regulations 1996⁽¹⁷⁾, in regulation 13 (hybrid schemes)⁽¹⁸⁾, for paragraph (2) substitute—

“(2) In paragraph (1) “relevant money purchase benefits” means—

- (a) collective money purchase benefits⁽¹⁹⁾, and
- (b) other money purchase benefits, other than
 - (i) benefits derived from the payment by any member of voluntary contributions, or
 - (ii) underpin benefits.”.

Amendments to the Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc) Regulations 1997

5.—(1) The Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc) Regulations 1997⁽²⁰⁾ are amended as follows.

(2) In regulation 8 (exemptions from the inalienability and forfeiture provisions)⁽²¹⁾—

(a) after paragraph (7), insert—

“(7A) Section 91(1)(c) of the 1995 Act (inalienability of occupational pension) does not apply to a scheme or a section of a scheme which is a collective money purchase scheme for the purposes of Part 1 of the Pension Schemes Act 2021 and which is pursuing continuity option 1 within the meaning of sections 34 and 36 of that Act, to the extent that it would prevent a reduction to the quantification of the value of a

⁽¹⁵⁾ 2021 c. 1.

⁽¹⁶⁾ Schedule 1 was amended by [S.I. 2008/1050](#), [2013/4722015/498](#) and [2019/383](#).

⁽¹⁷⁾ [S.I. 1996/3126](#).

⁽¹⁸⁾ Regulation 13 was amended by [S.I. 2002/380](#) and [S.I. 2005/3377](#).

⁽¹⁹⁾ “Collective money purchase benefits” is defined in section 181(1) of the Pension Schemes Act 1993. It has the same meaning here, by virtue of section 124(5) of the Pensions Act 1995.

⁽²⁰⁾ [S.I. 1997/785](#).

⁽²¹⁾ Regulation 8 was amended by [S.I. 1999/1849](#), [S.I. 2011/1801](#) and [S.I. 2006/744](#).