

# Annex B – Disclosure Draft Amendments

## Amendments to the Occupational and Personal Pensions Schemes (Disclosure of Information) Regulations 2013

1.—(1) The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 are amended as follows.

(2) In regulation 2 (interpretation)—

(a) In paragraph (1), in the appropriate places insert—

“the 2021 Act” means the Pension Schemes Act 2021;

“actuarial valuation”, in relation to a collective money purchase scheme, has the meaning given in section 20(2) of the 2021 Act;

“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 2021 Act;

“multi-annual reduction” means an arrangement under which the scheme rules permit the trustees to apply a reduction to the rate or amount of benefits provided under the scheme over multiple years following an actuarial valuation;

“pensioner member” has the meaning given in section 124(1) of the 1995 Act;

(b) in the definition of “illustration date”, after “Schedule 6” insert “and in Schedule 6A”;

(c) after paragraph (2) insert—

“(3) For the purposes of these Regulations, where a pension scheme is divided into sections, each section that is a collective money purchase scheme is to be treated as a separate scheme.”.

(3) In regulation 4 (application of these Regulations)—

(a) for paragraph (1) substitute—

“(1) Subject to paragraphs (2), (3), (6) and (9), the trustees or managers of an occupational pension scheme that falls within paragraph 1 of Schedule 1 must give information in accordance with regulations 6, 8, 9 to 17, 18 to 22, 24, 25 and, where the scheme falls within section 35 (investment principles) of the 1995 Act or the scheme is a relevant scheme within the meaning of the Occupational Pension Schemes (Scheme Administration) Regulations 1996, regulation 29A.”;

(b) after paragraph (8) insert—

“(9) Regulations 12A, 17, 18B and 19 do not apply to a collective money purchase scheme.

(10) Regulations 8A, 17A, 22A, 22B and 29B apply to a collective money purchase scheme only.”.

(4) In regulation 8 (material alterations to basic scheme information), after paragraph (5) insert—

“(6) This regulation does not apply where a change in relation to a collective money purchase scheme results from a decision to convert the scheme into a closed scheme within the meaning of section 38 of the 2021 Act.”.

(5) After regulation 8 insert—

**“Scheme closure: collective money purchase schemes**

**8A.**—(1) Where a scheme is a collective money purchase scheme, the information specified in paragraphs (2) and (3) must be given in accordance with this regulation.

(2) The information listed in paragraphs 30 to 33 of Schedule 2 must be given as soon as practicable and in any event no more than one month after a decision by the trustees to pursue the conversion of the scheme into a closed scheme within the meaning of section 38(10) (continuity option 3: conversion to closed scheme) of the 2021 Act.

(3) The information listed in paragraphs 34 to 38 of Schedule 2 must be given as soon as is practicable and in any event no more than one month after the date on which the Regulator notifies the trustees in accordance with section 38(4) of the 2021 Act.

(4) The information must be given to all members and beneficiaries of the scheme except for excluded persons.

(6) After regulation 17 insert—

**“Statements of benefits: collective money purchase schemes**

**17A.**—(1) Information must be given in accordance with this regulation to a member of a collective money purchase scheme who is not—

- (a) an excluded person, or
- (b) a member to whom benefits under the scheme have, or are about to become, payable.

(2) The information is—

- (a) for active members, the information listed in Parts 1, 2 and 4 of Schedule 6A,
- (b) for deferred members, the information listed in Part 1, 2, 3 and 5 of Schedule 6A. and
- (c) for pension credit members, the information listed in Parts 1 and 3 of Schedule 6A.

(3) The information must be given—

- (a) each time an actuarial valuation is obtained,
- (b) as soon as reasonably practicable after the certification of the latest actuarial valuation by the scheme actuary, and
- (c) no less than two months before any adjustment to the rate or amount of benefits provided under the scheme following the latest actuarial valuation is applied, where possible.”

(7) In regulation 18A, after paragraph (2) insert—

“(2A) Where the scheme is a collective money purchase scheme, information given in accordance with (2)(a) must include a statement that there is no promise or guarantee as to the rate or amount of benefits provided under the scheme and that the rate or amount of benefits may fluctuate.”.

(8) In regulation 22, after paragraph (2) insert—

“(3) This regulation does not apply where—

- (a) the scheme is a collective money purchase scheme, and
- (b) the alteration in the amount of benefit payable to a person results from a benefit adjustment not having been applied in accordance with the scheme rules or (as the case may be) the latest actuarial valuation.”.

(9) After regulation 22 insert—

### **“Benefit adjustment information: collective money purchase schemes**

**22A.**—(1) Where the scheme is a collective money purchase scheme, the information listed in paragraphs 15 to 22 of Schedule 7 must be provided to a person to whom benefits under the scheme are payable in accordance with this regulation.

(2) The information must be given—

- (a) each time an actuarial valuation is obtained,
- (b) as soon as reasonably practicable after the certification of the latest actuarial valuation by the scheme actuary, and
- (c) no less than two months before any adjustment to the rate or amount of benefits provided under the scheme following the latest actuarial valuation is applied, where possible.”.

### **Incorrect benefit adjustments in collective money purchase schemes**

**22B.**—(1) The information listed in paragraphs 23 to 29 of Schedule 7 must be given in accordance with this regulation where—

- (a) the scheme is a collective money purchase scheme, and
- (b) a benefit adjustment has not been applied in accordance with the scheme rules or (as the case may be) the latest actuarial valuation.

(2) The information must be given as soon as reasonably practicable to members and beneficiaries who have been or will be affected by the failure to apply the benefit adjustment in accordance with the scheme rules or (as the case may be) the latest actuarial valuation.”.

(10) In regulation 24, in paragraph (6), before sub-paragraph (a) insert—

“(za) in the case of a collective money purchase scheme, in accordance with paragraph 4 of Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2021,”.

(11) In regulation 27(1) (Provision for information on a website), for “regulation 29A provides” substitute “regulations 29A and 29B provide”.

(12) In regulation 29A (publishing charges and transaction costs and other relevant information), after paragraph (2)(b) insert—

“(ba) paragraph 1(cza);”

(13) After regulation 29A, insert—

### **“Additional publication requirements for collective money purchase schemes**

**29B.**—(1) Where a scheme is a collective money purchase scheme, the information specified in paragraphs (2) and (3) must be made publicly available free of charge on a website in accordance with this regulation.

(2) The following information must be made publicly available no more than one month after the trustees of the scheme are notified of the Pensions Regulator’s decision to authorise the scheme—

- (a) a statement explaining the design of the scheme, which must contain the information listed in Part 1 of Schedule 11, and
- (b) the scheme’s rules.

(3) The information listed in Part 2 of Schedule 11 must be made publicly available no more than three months after the latest actuarial valuation is sent to the Pensions Regulator.

(4) Where there is a change in relation to the information listed in Part 1 of Schedule 11, the statement mentioned in sub-paragraph (2)(a) must be altered accordingly, and made

publicly available before or as soon as possible after (and in any event within three months after) the change.

(5) Each time the document specified in sub-paragraph (2)(b) is changed after it is first made publicly available, the changed version must be made publicly available before or as soon as possible after (and in any event within three months after) the change.

(6) Where this regulation applies, a notification need not be given under regulation 27 in relation to the information on the website where information is—

- (a) made publicly available free of charge on a website in accordance with this regulation, or
- (b) given to the person in accordance with paragraph 17 and 18 of Schedule 6A (statements of benefits: collective money purchase benefits).

(7) Where a person requests the trustees of the scheme to provide the information referred to in paragraph (2) or (3) in hard copy form, the trustees of the scheme must give that information to the person in hard copy form only where the trustees are satisfied that it would be unreasonable for that person to obtain it from the website on which it is published.

(8) Where information is required to be given in hard copy form in accordance with paragraph (7), it must be given within two months of the date the request is made.”.

(14) In Schedule 2—

- (a) in paragraph 15(d), after “increased” insert “or decreased”;
- (b) in paragraph 16, after “including” insert “where appropriate”;
- (c) after paragraph 18 insert—

“**18A.** Where the scheme is a collective money purchase scheme—

- (a) a statement that there is no promise or guarantee as to the rate or amount of benefit that may be provided under the scheme and that the rate or amount of benefit may fluctuate, and
- (b) a summary of the rules governing how the rate or amount of benefits provided under the scheme is to be adjusted from time to time, including—
  - (i) that annual benefit calculations and adjustments will be applied equally to all members,
  - (ii) where relevant, an explanation of how any multi-annual reduction permitted under the scheme rules is in operation operates and the effect it may have on the rate or amount of benefits provided under the scheme, and
  - (iii) the arrangements in place for making any adjustments to the rate or amount of benefits provided to pensioner members.”.

(d) after paragraph 29 insert—

## “PART 4

### Scheme closure: collective money purchase schemes

**30.** A statement that a decision has been made to pursue the conversion of the scheme into a closed scheme.

**31.** A summary of the reasons for the decision in paragraph 30.

**32.** An estimate of when information will be provided in accordance with paragraphs 34 to 38.

33. A statement that the scheme will continue to operate in respect of its current members and beneficiaries.

34. A statement confirming that the scheme will be closed, which must include whether it will be closed to new contributions or new members (or both).

35. A summary of the reasons for the scheme's closure.

36. The date the scheme will begin to operate as a closed scheme.

37. A statement explaining any impact that the closure will have in relation to accrued rights under the scheme, including any differences in impact for active, deferred and pensioner members.

38. The arrangements for—

(a) the future operation of the scheme, and

(b) any new scheme or section of a scheme applicable to members and beneficiaries of the closed scheme.”.

(15) In Schedule 3—

(a) in paragraph 2, after rules insert “(except where regulation 29B applies)”;

(b) in paragraph 22—

(i) after “money purchase scheme” insert “other than a collective money purchase scheme”;

(ii) in each place where it occurs, for “increases” substitute “increases or decreases”.

(16) After Schedule 6 insert—

## “SCHEDULE 6A

Regulation 17A(2)

### Statements of benefits: collective money purchase benefits

#### PART 1

##### Information for active, deferred and pension credit members

1. The date on which the member's pensionable service started.

2. The member's retirement date and age used for the purposes of the information given under this Schedule.

3. The illustration date.

4. A explanation of how the member may obtain further details about the information given under this Schedule.

5. The value of the member's accrued rights under the scheme as at the illustration date.

6. The value of the member's accrued rights under the scheme as at the previous year's illustration date, where applicable.

7. Any adjustment to the value of the member's accrued rights from the previous year, in accordance with the latest actuarial valuation, both in monetary terms and as a percentage increase or decrease.

8. Details of any deduction from the member's benefits.

9. Where there has been an adjustment to the value of the member's accrued rights from the previous year, a statement explaining the reasons for this.

**10.** Where applicable, a statement that, if the member exercises rights or options to access benefits under the scheme before the member's retirement date, the value of the member's accrued rights is likely to be lower.

**11.** A statement that there may be increases and decreases in the value of the member's accrued rights to benefits from time to time until the member's retirement date.

**12.** A statement that illustrations of the amount of pension that may be payable to the member on their retirement date—

- (a) do not represent any promise or guarantee as to the amount of benefit that may be receivable by the member under the scheme, and
- (b) are calculated using projections based on actuarial assumptions as to uncertain future events, and that the actual amount could be higher or lower.

**13.** A statement that—

- (a) any future increases or decreases in the rate or amount of benefits provided under the scheme will depend on the available assets of the scheme,
- (b) assumptions have been made about the nature of the scheme's investments and their likely performance, and
- (c) those assumptions may not correspond with the investments actually made or their actual performance.

**14.** A statement that the amounts in any illustrations of amount of pension given are expressed in today's prices.

**15.** Either—

- (a) an explanation of the meaning and basis of "today's prices", or
- (b) a statement that such an explanation is—
  - (i) provided in a specified annex, or
  - (ii) available on a website, including the information listed in regulation 27(2).

**16.** Where any illustrations of amount of pension are expressed as a range, an explanation of the reasons for this.

**17.** In relation to the information that must be published on a website in accordance with regulation 29A(2) and (2A) (publishing charges and transaction costs and other relevant information)—

- (a) the information specified in sub-paragraphs (a) to (d) of regulation 27(2) (provision of information on a website), and
- (b) a statement explaining the circumstances in which the information will be provided on request in hard copy form.

**18.** Where the trustees are required to publish a report on a website in accordance with regulation 3(1)(b) of the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (climate change reporting and publication requirements), in relation to the most recent report published—

- (a) the information specified in sub-paragraphs (a) to (d) of regulation 27(2) of these Regulations; and
- (b) a statement explaining the circumstances in which the report will be provided on request in hard copy form.

**19.** Either—

- (a) a summary of the methods and assumptions used to calculate—
  - (i) the value of the member's accrued rights,

- (ii) any benefit adjustments, and
  - (iii) the member's future benefit illustrations, or
- (b) a statement that such a summary is—
  - (i) provided in a specified annex, or
  - (ii) available on a website, including the information listed in regulation. 27(2).

## PART 2

### Information for active and deferred members

**20.** Where the member is at least normal minimum pension age on the date specified by the trustees for the purposes of information provided under this Schedule, a statement explaining that the member may request the following information—

- (a) the flexible benefits that may be provided to the member,
- (b) the member's opportunity to transfer flexible benefits, and
- (c) the options available to the member under the scheme rules.

## PART 3

### Information for deferred and pension credit members

**21.** As applicable, the amount of any survivor's benefits that would be payable on the illustration date.

**22.** An illustration of the amount of pension, having regard to the latest actuarial modelling under the scheme, that may be payable to the member on their retirement date.

**23.** Either—

- (a) a summary of the method used for calculating any survivor's benefits, or
- (b) a statement that such a summary is—
  - (i) provided in a specified annex, or
  - (ii) available on a website, including the information listed in regulation 27(2)."

## PART 4

### Information for active members

**24.** The value, at the illustration date, of the rights to benefits that the member has accrued since the previous year's illustration date.

**25.** The amount, at the illustration date, of any benefits payable on the death of the member.

**26.** An illustration of the amount of pension, which may be payable to the member at their retirement date if pensionable service were to end on the illustration date, having regard to the latest actuarial modelling under the scheme.

27. An illustration of the amount of pension, which may be payable to the member at their retirement date if contributions continue, having regard to the latest actuarial modelling under the scheme.

28. A statement that it is assumed the active member will continue to contribute, or a contribution will be made on the member's behalf, to the scheme until their retirement date.

29. A statement as to any assumed salary increases taken into account in calculating the illustration provided in accordance with paragraph 27.

30. Either—

- (a) a summary of the method used for calculating the member's death in service benefits, or
- (b) a statement that such a summary is—
  - (i) provided in a specified annex, or
  - (ii) available on a website, including the information listed in regulation 27(2).

## PART 5

### Information for deferred members

31. The date on which the member became a deferred member.

32. A statement that no further contributions are expected to be made to the scheme by, or in respect of the member, after the illustration date.”

(17) In Schedule 7—

(a) after paragraph 6 insert—

“6A. Where the scheme is a collective money purchase scheme, a statement that there is no promise or guarantee as to the rate or amount of benefit provided under the scheme and that the rate or amount of benefit may fluctuate.”

(b) In paragraph 10, in each place it occurs, after “increases” insert “or decreases”.

(c) After paragraph 14 insert—

## “PART 4

### Information to be given by collective money purchase schemes about benefits and benefit adjustments

15. The amount of benefit that is payable to the person.

16. The period for which the amount of benefit payable applies. The next date on which any adjustment to the amount mentioned in paragraph 15, following an actuarial valuation, will be applied.

17. Except where information is provided in accordance with regulation 22A to the person for the first time, an explanation of why the amount of benefit payable has been adjusted or, as the case may be, remained the same.



18. An explanation of when an adjustment in the amount of benefit payable under scheme may next occur.
19. A statement that there is no promise or guarantee as to the amount of benefit that may be provided under the scheme and that the amount of benefit may fluctuate.
20. Any rights or options a person may be entitled to exercise in the event of a member or beneficiary dying.
21. Any procedures for exercising the rights or options referred to in paragraph 20.
22. The postal and electronic address to which enquiries relating to the information provided in accordance with regulation 22A should be sent.
23. The level of the benefit adjustment that should have been applied in accordance with the latest actuarial valuation.
24. The level of the benefit adjustment that was actually applied.
25. Where the benefit adjustment that was actually applied was not the adjustment that should have been applied in accordance with the latest actuarial valuation, any proposed remedial actions.
26. A timetable for implementing any remedial actions.
27. A statement indicating whether the failure to apply the benefit adjustment in accordance with the scheme rules or (as the case may be) the latest actuarial valuation has resulted in any negative impact on the scheme's ongoing ability to deliver the pension benefits envisaged under the design of the scheme.
28. Where there is a likely negative impact on the scheme's ongoing ability to deliver the pension benefits envisaged, details of any proposed actions to address the negative impact.
29. An explanation of what the trustees will do to ensure benefit adjustments are applied correctly in future.”.

(18) After Schedule 10, insert—

## “SCHEDULE 11

Ref

### Statements to be published by collective money purchase schemes

#### PART 1

##### Scheme design statement

1. A summary of—
  - (a) the rate specified in the rules of the scheme by reference to which collective money purchase benefits accrue each year under the scheme;
  - (b) the rate of contributions paid by the employer;
  - (c) the rate of contributions paid by the member;
  - (d) the normal pension age as specified in the rules of the scheme.
2. A statement that there is no promise or guarantee as to the rate or amount of benefits that may be provided under the scheme and that the rate or amount of benefits may fluctuate.

- 3.** A summary of the rules governing how the rate or amount of benefits provided under the scheme is to be adjusted from time to time, including—
  - (a) that annual benefit calculations and adjustments will be applied equally to all members,
  - (b) where relevant, an explanation of how any multi-annual reduction permitted under the scheme rules operates and the effect it may have on the rate or amount of benefits provided under the scheme, and
  - (c) the arrangements in place for making any adjustments to the rate or amount of benefits provided to pensioner members.
- 4.** An explanation of the basis on which contribution rates have been set.
- 5.** An explanation of how the trustees of the scheme will monitor risks to the scheme including potential negative impacts on the rate or amount of benefits provided under the scheme.
- 6.** A summary of the procedure that would be followed in the event of the winding up of the scheme.

## PART 2

### Valuation statement and benefit adjustment

- 7.** The name of the scheme to which the statement relates.
- 8.** A summary of the results of the latest actuarial valuation of the scheme, based on the latest actuarial valuation report, including any resulting benefit adjustment.
- 9.** An explanation of the methods and assumptions used in the latest actuarial valuation.
- 10.** The effective date and period of the latest actuarial valuation to which the explanation in paragraph 8 relates.
- 11.** In the case of the first valuation statement for the scheme, an explanation of any changes to the methods and assumptions used in the application for authorisation.
- 12.** In the case of all subsequent statements, an explanation of any changes to the actuarial valuation or to the methods and assumptions used in the last statement.
- 13.** The name and postal or email address of a person to whom enquiries relating to the information under this Part should be sent.”.