
DRAFT STATUTORY INSTRUMENTS

2026 No.

PENSIONS

The Occupational Pension Schemes (Schemes that were Contracted-out) (No. 2) (Amendment) Regulations 2026

Made - - - -

Coming into force

The Secretary of State makes these Regulations in exercise of the powers conferred by 24B(5)(b), 24C, 24E(2A), 182(2) and (3) of the Pension Schemes Act 1993(a).

The Secretary of State has consulted such persons as the Secretary of State considers appropriate, in accordance with section 185(1) of the Pension Schemes Act 1993(b).

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Occupational Pension Schemes (Schemes that were Contracted-out) (No. 2) (Amendment) Regulations 2026.

(2) The Regulations come into force on [DATE].

(3) These Regulations extend to England and Wales and Scotland.

(4) The amendments in these Regulations do not apply to a GMP conversion within the meaning of section 24A(1)(b) of the Pension Schemes Act 1993 where, in accordance with section 24E(3) of that Act(c), the trustees began taking steps to consult P(d) before [xxxx DATE], unless the trustees begin taking steps to consult P again on or after that date and before the conversion date.

(a) 1993 c. 48. Subsection (5) of section 24B was substituted by section 1(3)(c) of the Pension Schemes (Conversion of Guaranteed Minimum Pensions) Act 2022 (c. 33). Sections 24B, 24C and 24E were inserted by section 14(3) of the Pensions Act 2007 (c. 22). Section 24E(2A) was inserted by section 2(5)(b) of the Pension Schemes (Conversion of Guaranteed Minimum Pensions) Act 2022 (c. 33). See section 181 for the definition of “prescribed”.

(b) 1993 c. 48. Section 185 (1) was amended by paragraph 46 of Schedule 3, paragraph 80(a) of Schedule 5 and Part I of Schedule 7 to the Pensions Act 1995 (c. 26).

(c) 1993 c. 48. Sections 24A and 24E were inserted by the Pensions Act 2007 (c. 22) and are amended by section 1(2)(b) and (5)(c) of the Pension Schemes (Conversion of Guaranteed Minimum Pensions) Act 2022 (c. 33).

(d) See section 24A(1)(ba)(i) of the Pension Schemes Act 1993 (c. 48) for the definition of P.

Amendment of the Occupational Pension Schemes (Schemes that were Contracted-out) (No. 2) Regulations 2015

2.—(1) The Occupational Pension Schemes (Schemes that were Contracted-out) (No. 2) Regulations 2015^(a) are amended as follows—

(2) In regulation 27 (conversion into other benefits: actuarial equivalence)—

(a) In paragraph (3) before “In determining actuarial equivalence” insert “Subject to paragraph (7),”.

(b) After paragraph (6) insert—

“(7) Paragraphs (3) to (6) do not apply if—

- (a) a GMP conversion relates to a single individual;
- (b) the trustees satisfy paragraph (8) in determining actuarial equivalence; and
- (c) there is a certificate in place under paragraph (10) at the conversion date which applies to that GMP conversion.

(8) In determining actuarial equivalence, the trustees must—

- (a) obtain advice from the actuary about the appropriate basis for calculating post-conversion benefits for a GMP conversion to which paragraph (7)(a) applies that will be actuarially equivalent to pre-conversion benefits during the certification period; and
- (b) consider that advice.

(9) The advice provided under paragraph (8)(a) must cover—

- (a) how the calculations are to be carried out, ignoring the value of any benefits or amounts referred to in paragraph (4)(b);
- (b) what assumptions will be appropriate at the conversion date;
- (c) any circumstances in which, in the actuary’s opinion, calculating post-conversion benefits in accordance with the advice might not result in them being at least actuarially equivalent to pre-conversion benefits.

(10) When requested by the trustees, the actuary must send the trustees a certificate containing the matters set out in paragraph (11).

(11) The certificate provided by the actuary under paragraph (10) must state—

- (a) that the advice required under paragraph (8)(a) has been provided in accordance with that paragraph;
- (b) that if the advice is adopted it will result in post-conversion benefits that are at least actuarially equivalent to pre-conversion benefits; and
- (c) any circumstances in which the certificate will not be valid in relation to any GMP conversion, which must include the circumstances set out in paragraph (9)(c).

(12) The certificate provided under paragraph (10) is valid for 12 months beginning with the date of the certificate (“the certification period”).”.

(3) For regulation 27A (conversion into other benefits: survivors’ benefits) substitute—

^(a) S.I. 2015/1677, relevant amending instruments are S.I. 2016/199 and 2019/1458.

“Conversion into other benefits: survivor benefits

27A.—(1) In the case of a GMP conversion within section 24A(1)(b)(i) of the 1993 Act(**a**) (GMP conversion in relation to earner), the benefits that a converted scheme provides on P’s death to or in respect of any widow, widower or surviving civil partner of P(**b**) (“P’s survivor”) must include a pension.

(2) The pension referred to in paragraph (1) must be at least half of the pension to which P would have been entitled calculated by reference to—

(a) employment during the period beginning with 6th April 1978 and ending with 5th April 1997 where P is—

(i) a man married to a woman; or

(ii) a woman by virtue of a full gender recognition certificate issued under the Gender Recognition Act 2004(**c**), married to a woman, where the marriage subsisted on or before the date that the certificate was issued; or

(b) in any other case, employment during the period beginning with 6th April 1988 and ending with 5th April 1997.

(3) Such a pension must be provided for a minimum of—

(a) any period during which P’s survivor is either residing with a child or is entitled to child benefit in respect of a child who is—

(i) a child of P and P’s survivor;

(ii) a child in respect of whom P was, immediately before P’s death, entitled to child benefit or would have been so entitled if the child had not been absent from Great Britain; or

(iii) where P and P’s survivor were residing together immediately before P’s death, a child in respect of whom P’s survivor was, at that time, entitled to child benefit or would have been so entitled if the child had not been absent from Great Britain;

(b) any period in which P’s survivor is entitled to—

(i) widowed parent's allowance under section 39A of the Contributions and Benefits Act(**d**); or

(ii) bereavement support payment under section 30 of the Pensions Act 2014(**e**);

(c) where P’s survivor is at least 45 years old on the date that—

(i) P died; or

(ii) benefit provided by virtue of sub-paragraph (a) or (b) ended,

the period beginning with the date that P died or benefit provided by virtue of sub-paragraph (a) or (b) ended, as the case may be, until P’s survivor’s death; or

(d) where sub-paragraph (c) does not apply and P died before their survivor attains state pension age, the period beginning with the date that P’s survivor attains state pension age until P’s survivor’s death.

(4) For the purposes of this regulation “child benefit” has the same meaning as in the Contributions and Benefits Act(**f**).”.

(a) See regulation 2(1) of S.I. 2015/1677 for the definition of the 1993 Act.

(b) See section 24A(1)(ba)(i) of the Pension Schemes Act 1993 (c. 48) for the definition of P.

(c) 2004 c. 7.

(d) See regulation 2(1) of S.I. 2015/1677 for the definition of the Contributions and Benefits Act.

(e) 2014 c. 19.

(f) See regulation 2(1) of S.I. 2015/1677 for the definition of the Contributions and Benefits Act.

(4) After regulation 27A insert—

“Relevant person

27B.—(1) For the purposes of section 24E(2) of the 1993 Act^(a), a person is relevant in relation to a scheme if the person is an employer for the purposes of Part 3 of the Pensions Act 2004^(b).

(2) Where there is more than one employer, all of the employers are relevant persons in relation to a scheme unless those employers have nominated one of those employers to act as the relevant person for the purposes of section 24E(2), in which case that employer is the relevant person in relation to the scheme.”.

Signed by authority of the Secretary of State for Work and Pensions

[DATE]

[Name]
Parliamentary Under-Secretary of State
Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Occupational Pension Schemes (Schemes that were Contracted-out) (No. 2) Regulations 2015 (S.I. 2015/1677) (“the 2015 Regulations”).

Regulation 2(2) adds new paragraphs (7) to (12) to regulation 27 of the 2015 Regulations to introduce a new procedure for certifying actuarial equivalence in the case of GMP conversions which relate to a single individual.

Regulation 2(3) substitutes a new regulation 27A into the 2015 Regulations, which makes provision in relation to the amendment of a pension scheme so that it no longer contains the guaranteed minimum pension rules specified in sections 13(1)(a) and (b) and 17(1) of the Pension Schemes Act 1993 (c. 48). A scheme that is so amended must provide a pension to the widow, widower or surviving civil partner of the earner. Regulation 27A sets out how to calculate the minimum amount of such a pension and the minimum period for which it is payable.

Regulation 2(4) inserts a new regulation 27B which provides that a person is a relevant person in relation to a scheme if the person is an employer for the purposes of Part 3 of the Pensions Act 2004 (c. 35).

[A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, public or voluntary sectors is foreseen.]

^(a) See regulation 2(1) of S.I. 2015/1677 for the definition of the 1993 Act.

^(b) 2004 c. 35.