
Changes to legislation: There are currently no known outstanding effects for the Pensions Act 2014, SCHEDULE 18. (See end of Document for details)

SCHEDULES

SCHEDULE 18

Section 43

POWER TO RESTRICT CHARGES OR IMPOSE REQUIREMENTS IN RELATION TO SCHEMES

Power to restrict charges

- 1 (1) The Secretary of State may by regulations make provision—
- (a) prohibiting administration charges which are of a specified class or description, or which exceed specified limits, from being imposed on [^{F1}members] of a relevant scheme;
 - (b) prohibiting a relevant scheme from containing provision under which administration charges which are of a specified class or description, or which exceed specified limits, will or may be imposed on [^{F2}members] of the scheme.

“Specified” means specified in the regulations.

- (2) The regulations—
- (a) may make provision for the manner of, and criteria for, determining whether an administration charge is of a specified class or description or exceeds specified limits;
 - (b) may provide for the determination to be made in accordance with guidance issued from time to time by the Secretary of State.
- (3) The regulations may impose duties on the trustees or managers of a relevant scheme or others.
- (4) The regulations may provide that a scheme is not a qualifying scheme in relation to a jobholder for the purposes of Part 1 of the Pensions Act 2008 if a provision of the regulations—
- (a) is contravened, or
 - (b) is contravened in a way specified in the regulations.

- (5) In this paragraph—

“administration charge”, in relation to a member of a pension scheme, means any of the following to the extent that they may be used to meet the administrative expenses of the scheme, to pay commission or in any other way that does not [^{F3}constitute] the provision of pension benefits for or in respect of members [^{F4}or the making of transfer payments with a view to acquiring rights or entitlements to pension benefits under different pension schemes]—

- (a) any payments made to the scheme by, or on behalf or in respect of, the member,
- (b) any income or capital gain arising from the investment of such payments, or

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- (c) the value of the member's rights under the scheme;
 “relevant scheme” means a pension scheme of a description specified in the regulations.

Textual Amendments

- F1** Word in [Sch. 18 para. 1\(1\)\(a\)](#) substituted (11.2.2021 for specified purposes, 13.12.2021 in so far as not already in force) by [Pension Schemes Act 2021 \(c. 1\), s. 131\(1\)\(3\)\(a\)](#), [Sch. 3 para. 25\(2\)](#); [S.I. 2021/1394, reg. 2\(a\)](#)
- F2** Word in [Sch. 18 para. 1\(1\)\(b\)](#) substituted (11.2.2021 for specified purposes, 13.12.2021 in so far as not already in force) by [Pension Schemes Act 2021 \(c. 1\), s. 131\(1\)\(3\)\(a\)](#), [Sch. 3 para. 25\(2\)](#); [S.I. 2021/1394, reg. 2\(a\)](#)
- F3** Word in [Sch. 18 para. 1\(5\)](#) substituted (31.8.2021 for the purpose of making regulations and immediately before 1.10.2021 for all other purposes) by [Pension Schemes Act 2021 \(c. 1\), ss. 127\(2\)\(a\)](#), [131\(1\)](#); [S.I. 2021/950, reg. 2\(2\)](#) (with [reg. 10](#))
- F4** Words in [Sch. 18 para. 1\(5\)](#) inserted (31.8.2021 for the purpose of making regulations and immediately before 1.10.2021 for all other purposes) by [Pension Schemes Act 2021 \(c. 1\), ss. 127\(2\)\(b\)](#), [131\(1\)](#); [S.I. 2021/950, reg. 2\(2\)](#) (with [reg. 10](#))

Commencement Information

- I1** [Sch. 18 para. 1](#) in force at 11.9.2014 by [S.I. 2014/2377, art. 2\(1\)\(a\)\(i\)\(2\)\(k\)](#)

Power to impose requirements relating to administration or governance

- 2 (1) The Secretary of State may by regulations impose requirements relating to the administration or governance of a relevant scheme that must be satisfied in relation to the scheme.
- (2) The regulations—
- (a) may make provision for the manner of, and criteria for, determining whether a requirement is satisfied;
 - (b) may provide for the determination to be made in accordance with guidance issued from time to time by the Secretary of State.
- (3) The regulations may impose duties on the trustees or managers of a relevant scheme or others.
- (4) The regulations may provide that a scheme is not a qualifying scheme in relation to a jobholder for the purposes of Part 1 of the Pensions Act 2008 if a provision of the regulations—
- (a) is contravened, or
 - (b) is contravened in a way specified in the regulations.
- (5) In this paragraph “relevant scheme” means a pension scheme of a description specified in the regulations.

Commencement Information

- I2** [Sch. 18 para. 2](#) in force at 11.9.2014 by [S.I. 2014/2377, art. 2\(1\)\(a\)\(i\)\(2\)\(k\)](#)

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Compliance

- 3 (1) The Secretary of State may by regulations make provision with a view to ensuring compliance with a provision of regulations under paragraph 1 or 2.
- (2) The regulations may in particular—
- (a) provide for the Regulator to issue a notice (a “compliance notice”) to a person with a view to ensuring the person's compliance with a provision of regulations under paragraph 1 or 2;
 - (b) provide for the Regulator to issue a notice (a “third party compliance notice”) to a person with a view to ensuring another person's compliance with a provision of regulations under paragraph 1 or 2;
 - (c) provide for the Regulator to issue a notice (a “penalty notice”) imposing a penalty on a person where the Regulator is of the opinion that the person has failed to comply with a compliance notice or third party compliance notice or has contravened a provision of regulations under paragraph 1 or 2;
 - (d) provide for the making of a reference to the First-tier Tribunal or Upper Tribunal in respect of the issue of a penalty notice or the amount of a penalty;
 - (e) confer other functions on the Regulator.
- (3) The regulations may make provision for determining the amount, or the maximum amount, of a penalty in respect of a failure or contravention.
- (4) But the amount of a penalty imposed under the regulations in respect of a failure or contravention must not exceed—
- (a) £5,000, in the case of an individual, and
 - (b) £50,000, in any other case.

Commencement Information

I3 Sch. 18 para. 3 in force at 11.9.2014 by S.I. 2014/2377, art. 2(1)(a)(i)(2)(k)

Interpretation

- 4 (1) Expressions used in this Schedule and in Schedule 17 have the same meaning in this Schedule as in that Schedule (see paragraph 15 of that Schedule).
- (2) In this Schedule “relevant scheme” is to be construed in accordance with paragraphs 1(5) and 2(5).
- [^{F5}(3) Where a pension scheme is divided into sections, each section that is a collective money purchase scheme for the purposes of Part 1 of the Pension Schemes Act 2021 (see section 1(2)(b) of that Act) is to be treated for the purposes of this Schedule as a separate scheme.]

Textual Amendments

F5 Sch. 18 para. 4(3) inserted (11.2.2021 for specified purposes, 13.12.2021 in so far as not already in force) by Pension Schemes Act 2021 (c. 1), s. 131(1)(3)(a), Sch. 3 para. 25(3); S.I. 2021/1394, reg. 2(a)

Commencement Information

I4 Sch. 18 para. 4 in force at 11.9.2014 by S.I. 2014/2377, art. 2(1)(a)(i)(2)(k)

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Crown application

- 5 (1) This Schedule applies to a pension scheme managed by or on behalf of the Crown as it applies to other pension schemes.
- (2) Accordingly, a reference in this Schedule to a person in the person's capacity as a trustee or manager of a pension scheme include the Crown, or a person acting on behalf of the Crown, in that capacity.
- (3) This Schedule applies to persons employed by or under the Crown as it applies to persons employed by a private person.

Commencement Information

I5 Sch. 18 para. 5 in force at 11.9.2014 by S.I. 2014/2377, art. 2(1)(a)(i)(2)(k)

Overriding provision

- 6 (1) The Secretary of State may by regulations provide that specified provisions override any provision of a relevant scheme to the extent that it conflicts with them.
- [^{F6}(1A) The Secretary of State may by regulations provide that specified provisions override any term of a relevant contract to the extent that it conflicts with them.]
- (2) A “specified provision” is a provision of regulations under this Schedule specified in regulations made under sub-paragraph (1) [^{F7}or (1A)] .
- [^{F8}(3) “Relevant contract” means a contract between the trustees or managers of a relevant scheme and a person providing services in relation to the scheme.]

Textual Amendments

F6 Sch. 18 para. 6(1A) inserted (27.4.2017) by Pension Schemes Act 2017 (c. 17), ss. 41(2), 44(1)(d)

F7 Words in Sch. 18 para. 6(2) inserted (27.4.2017) by Pension Schemes Act 2017 (c. 17), ss. 41(3), 44(1)(d)

F8 Sch. 18 para. 6(3) inserted (27.4.2017) by Pension Schemes Act 2017 (c. 17), ss. 41(4), 44(1)(d)

Commencement Information

I6 Sch. 18 para. 6 in force at 11.9.2014 by S.I. 2014/2377, art. 2(1)(a)(i)(2)(k)

Other provision relating to regulations under this Schedule

- 7 (1) The Secretary of State may by regulations amend or otherwise modify any enactment (whenever passed or made) in connection with any provision made by regulations under the preceding provisions of this Schedule.
- (2) In this paragraph “enactment” includes an enactment contained in subordinate legislation within the meaning of the Interpretation Act 1978.

Commencement Information

I7 Sch. 18 para. 7 in force at 11.9.2014 by S.I. 2014/2377, art. 2(1)(a)(i)(2)(k)

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- 8 Before making any regulations under this Schedule, the Secretary of State must consult such persons as the Secretary of State considers appropriate.

Commencement Information

18 Sch. 18 para. 8 in force at 11.9.2014 by S.I. 2014/2377, art. 2(1)(a)(i)(2)(k)

Amendments

- 9 (1) The Pension Schemes Act 1993 is amended as follows.
- (2) In section 94(2A) (right to cash equivalent)—
- (a) in paragraph (a), after sub-paragraph (viii) (inserted by Schedule 17 to this Act) insert—
- “(ix) regulations made under Schedule 18 to the Pensions Act 2014;”;
- (b) in paragraph (b), after sub-paragraph (vi) (inserted by Schedule 17 to this Act) insert—
- “(vii) regulations made under paragraph 6 of Schedule 18 to the Pensions Act 2014.”
- (3) In section 101AI(8) (rights to cash transfer sum and contribution refund: further provisions)—
- (a) in paragraph (a), after sub-paragraph (viii) (inserted by Schedule 17 to this Act) insert—
- “(ix) regulations made under Schedule 18 to the Pensions Act 2014;”;
- (b) in paragraph (b), after sub-paragraph (vi) (inserted by Schedule 17 to this Act) insert—
- “(vii) regulations made under paragraph 6 of Schedule 18 to the Pensions Act 2014.”

Commencement Information

19 Sch. 18 para. 9 in force at 11.9.2014 by S.I. 2014/2377, art. 2(1)(a)(i)(2)(k)

- 10 In section 256 of the Pensions Act 2004 (no indemnification for fines or civil penalties), in subsection (1)(b), after “or paragraph 10 of Schedule 17 to the Pensions Act 2014” (inserted by Schedule 17 to this Act) insert “ or paragraph 3 of Schedule 18 to that Act ”.

Commencement Information

110 Sch. 18 para. 10 in force at 11.9.2014 by S.I. 2014/2377, art. 2(1)(a)(i)(2)(k)

- 11 (1) Section 16 of the Pensions Act 2008 (automatic enrolment: qualifying schemes) is amended as follows.
- (2) In subsection (3), omit paragraphs (a), (aa) and (ab).
- (3) After subsection (3) insert—

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“(3A) See also paragraphs 1(4) and 2(4) of Schedule 18 to the Pensions Act 2014, which confer power to make regulations providing for a scheme not to be a qualifying scheme in relation to a jobholder in certain circumstances.”

(4) Omit subsections (4) and (5).

Commencement Information

I11 Sch. 18 para. 11 in force at 11.9.2014 by S.I. 2014/2377, art. 2(1)(a)(i)(2)(k)

12 In consequence of the amendments made by paragraph 11, section 10 of the Pensions Act 2011 (qualifying schemes: administration charges) is repealed.

Commencement Information

I12 Sch. 18 para. 12 in force at 11.9.2014 by S.I. 2014/2377, art. 2(1)(a)(i)(2)(k)

Changes to legislation:

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