STATUTORY RULES OF NORTHERN IRELAND

2017 No. 59

PENSIONS

The Pension Protection Fund (Modification) (Amendment) Regulations (Northern Ireland) 2017

Made - - - - 15th March 2017

Coming into operation in accordance with regulation 1

The Department for Communities(**1**) makes the following Regulations in exercise of the powers conferred by Articles 154(2) and 287(2) and (3) of, and paragraph 26(9) of Schedule 6 to, the Pensions (Northern Ireland) Order 2005(**2**) and section 49(8) of the Pensions Act (Northern Ireland) 2015(**3**).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Pension Protection Fund (Modification) (Amendment) Regulations (Northern Ireland) 2017 and shall come into operation on 6th April 2017.

(2) For the purposes of regulation 2(a) to (c), these Regulations are to be treated as having effect from 6th April 2005.

(3) The remaining provisions of these Regulations take effect from 6th April 2017.

Amendment of the Pension Protection Fund (Compensation) Regulations

2. In regulation 20 of the Pension Protection Fund (Compensation) Regulations (Northern Ireland) 2005(**4**) (application of compensation cap where compensation becomes payable on different dates)—

(a) for sub-paragraph (6A) (as inserted by regulation 20(3)) substitute—

"(6A) Where sub-paragraph (6B) or sub-paragraph (6BA) applies to a person, sub-paragraphs (6C) and (6D) apply (instead of sub-paragraph (1)) in relation to the entitlements referred to in the sub-paragraph which applies to him.";

(b) for sub-paragraph (6B) (as inserted by regulation 20(3)) substitute—

(**1**) *See* section 1(7) of the Departments Act (Northern Ireland) 2016 (c. 5 (N.I.))

(**2**) S.I. 2005/255 (N.I. 1); Article 154 was amended by Article 6 of S.R. 2012 No. 124; paragraph 26 of Schedule 6 was amended by paragraph 23(9) of Schedule 4 to the Pensions Act (Northern Ireland) 2012 (c .3 (N.I.)) and (with retrospective effect) by section 49 of the Pensions Act (Northern Ireland) 2015 (c .5 (N.I.)) and is amended by paragraphs 2 and 5 of Schedule 20 to that Act with effect from 6th April 2017

(**3**) 2015 c. 5 (N.I.)

(**4**) S.R. 2005 No. 149

"(6B) This sub-paragraph applies if—

(a) a person becomes entitled to relevant compensation in respect of a benefit ("benefit A") that is attributable to a pension credit from a transferor, and

(b) before the person becomes entitled to relevant compensation in respect of benefit A, he has become entitled to—

(i) relevant compensation in respect of one or more other benefits under the scheme or a connected occupational pension scheme that are also attributable to a pension credit from the same transferor ("benefit or benefits C"), or

(ii) one or more lump sums under the scheme or a relevant connected occupational pension scheme ("sum or sums L") that are also attributable to a pension credit from the same transferor.";

(c) after sub-paragraph (6B) (as substituted by regulation 2(b) of these Regulations) insert—

"(6BA) This paragraph applies if—

(a) a person becomes entitled to relevant compensation in respect of a benefit ("benefit A") that is attributable to the person's pensionable service, and

(b) before the person becomes entitled to relevant compensation in respect of benefit A, he has become entitled to—

(i) relevant compensation in respect of one or more other benefits under the scheme or a connected occupational pension scheme that are also attributable to his pensionable service ("benefit or benefits C"), or

(ii) one or more lump sums under the scheme or a relevant connected occupational pension scheme ("sum or sums L") that are also attributable to his pensionable service.

(6BB) For the purposes of sub-paragraphs (6B)(b)(ii) and (6BA)(b)(ii), a scheme is a relevant connected compensation pension scheme if it is an eligible scheme when the person becomes entitled to the relevant compensation in respect of benefit A.";

(d) after sub-paragraph (6G) (as inserted by regulation 20(3)) insert—

"(6GA) Where sub-paragraph (6B) or (6BA) applies, "the compensation cap" has the meaning given by paragraph 26A, except that the reference in sub-paragraph (2) of that paragraph to the length of the person's pensionable service is to be treated as if it were a reference to the total length of the person's pensionable service at the time when he becomes entitled to the relevant compensation in respect of benefit A.".

Amendment of the Pension Protection Fund (General and Miscellaneous Amendments) Regulations

3. In regulation 9A(3) of the Pension Protection Fund (General and Miscellaneous Amendments) Regulations (Northern Ireland) 2006(**5**) (PPF money purchase lump sums), for "£2,000" substitute "£10,000".

(**5**) S.R. 2006 No. 155; regulation 9A was inserted by regulation 9(5) of S.R. 2013 No. 95 and amended by regulation 6(3) of S.R. 2016 No. 165