STATUTORY RULES OF NORTHERN IRELAND

# 2015 No. 164

# PENSIONS

## The Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations (Northern Ireland) 2015

*Made - - - - 16th March 2015*
*Coming into operation in accordance with regulation 1(1)*

The Department for Social Development makes the following Regulations in exercise of the powers conferred by sections 89(5)(a) and (10)(a) and (b), 89A(5), 91(2)(b) and (6A), 93(1), (2)(a) and (b), (3B) and (4), 95(4A) and (4B), 97F(6A), 109(1) and (3), 177(2) to (4) and 178(1) of the Pension Schemes (Northern Ireland) Act 1993(**1**), Article 10(2)(b) of the Pensions (Northern Ireland) Order 1995(**2**), and now vested in it(**3**), and sections 83(1) and 86 of the Pension Schemes Act 2015(**4**).

### Citation, commencement and interpretation

**1.**—(1) These Regulations may be cited as the Occupational and Personal Pension Schemes (Transfer Values) (Amendment and Revocation) Regulations (Northern Ireland) 2015 and shall come into operation—

(a) for the purposes of this regulation and regulations 2 to 12 and 13(a), on 6th April 2015, and

(b) for the purposes of regulation 13(b), on 1st April 2017.

(**1**) 1993 c. 49. Sections 89 and 89A were substituted by paragraph 54 of Schedule 4 to the Pension Schemes Act 2015 (c. 8). Section 91(2)(b) was amended by paragraph 55(3) of Schedule 4 to that Act. Section 91(6A) was inserted by paragraph 55(4) of Schedule 4 to that Act. Section 93(2)(a) was amended by paragraph 57(3)(a) of Schedule 4 to that Act. Section 93(3B) was inserted by paragraph 57(5) of Schedule 4 to that Act. Section 95(4A) was inserted by paragraph 8(c) of Schedule 4 to the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) and amended by paragraph 10(b) of Schedule 10 to the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1)). Section 95(4B) was inserted by paragraph 59(5) of Schedule 4 to the Pension Schemes Act 2015. Section 97F was inserted by Article 34 of the Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147 (N.I. 11)) and subsection (6A) was substituted by paragraph 61(5) of Schedule 4 to the Pension Schemes Act 2015. Section 109(1) was amended by section 48(1) of to the Child Support, Pensions and Social Security Act (Northern Ireland) 2000 (c. 4 (N.I.)). Section 178(1) ) was amended by Parts 3 and 4 of Schedule 5 to the Pensions (Northern Ireland) Order 1995

(**2**) S.I. 1995/3213 (N.I. 22)

(**3**) *See* Article 8(b) of S.R. 1999 No. 481

(**4**) 2015 c. 8

(2) In these Regulations "the 1996 Regulations" means the Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1996(**5**).

(3) The Interpretation Act (Northern Ireland) 1954(**6**) shall apply to these Regulations as it applies to an Act of the Assembly.

**Amendment of Part 1 of the 1996 Regulations**

**2.** In Part 1 of the 1996 Regulations (general) in regulation 1(2) (interpretation)—

(a) in the definition of "cash balance benefit"(**7**) for "by regulation 2 of the Pensions (2012 Act) (Transitional, Consequential and Supplementary Provisions) Regulations (Northern Ireland) 2014" substitute "in section 75 of the Pension Schemes Act 2015";

(b) in the definition of "cash equivalent" for "or guaranteed cash equivalent mentioned in section 89A(1) or 90(1)" substitute "mentioned in section 90(1) or (2)(**8**)";

(c) after the definition of "cash equivalent" insert—

> ""categories of benefits" refers to the categories listed in paragraphs (a) to (c) of section 89(6);";

(d) in the definition of "the guarantee date" for "section 89A(2)" substitute "section 89A(4)";

(e) omit the definition of "the relevant date";

(f) in the definition of "statement of entitlement"(**9**) for "section 89A(1)" substitute "section 89A(3)".

**Amendment of Part 2 of the 1996 Regulations**

**3.** In Part 2 of the 1996 Regulations (restrictions on right to cash equivalent) in regulation 2(1)(**10**) (pre-1986 leavers) for "Chapter IV of Part IV" substitute "Chapter 1 of Part 4ZA(**11**)".

**Amendment of Part 3 of the 1996 Regulations**

**4.**—(1) Part 3 of the 1996 Regulations (guaranteed statements of entitlement and calculation of transfer values) is amended in accordance with paragraphs (2) to (9).

(2) In the heading to that Part omit "GUARANTEED".

(3) In the heading to regulation 6 (guaranteed statements of entitlement) for "Guaranteed statements" substitute "Statements".

(4) In regulation 6—

(a) in paragraph (1)(a)(**12**) omit "under section 89A (salary related schemes: right to statement of entitlement)";

(b) in paragraph (1B)(**13**) omit the definition of "application";

(c) after paragraph (1B) insert—

(**5**) S.R. 1996 No. 619; relevant amending Regulations are S.R. 2005 No. 114, S.R. 2008 Nos. 370 and 388, S.R. 2013 No. 72 and S.R. 2014 No. 204
(**6**) 1954 c. 33 (N.I.)
(**7**) The definition of "cash balance benefit" was inserted by regulation 31(2)(a) of S.R. 2014 No. 204
(**8**) Section 90 is substituted by paragraph 54 of Schedule 4 to the Pension Schemes Act 2015
(**9**) The definition of "statement of entitlement" was inserted by regulation 2(j) of S.R. 2008 No. 370
(**10**) Regulation 2 was amended by regulation 5 of S.R. 2013 No. 72
(**11**) *See* paragraph 50 of Schedule 4 to the Pension Schemes Act 2015
(**12**) Paragraph (1) was substituted by regulation 3 of S.R. 2008 No. 370
(**13**) Paragraph (1B) was inserted by regulation 4(2)(b) of S.R. 2005 No. 114

"(1C) Where a member has transferrable rights in relation to two categories of benefits other than money purchase benefits, the trustees or managers must provide the member with a statement of entitlement setting out a separate cash equivalent in relation to each of the categories of benefits, unless the member's application relates to one of the categories of benefits only.";

(d) in paragraph (3) omit "under section 89A(1)";

(e) omit paragraph (4);

(f) at the end add—

"(5) In this regulation "application" means an application for a statement of entitlement made under section 89A(1).".

(5) In regulation 7C(3)(b)(ii)(**14**) (manner of calculation of initial cash equivalents for money purchase benefits and cash balance benefits not calculated by reference to final salary) for "Chapter IV of Part IV" substitute "Chapter 1 of Part 4ZA".

(6) In regulation 7D(3)(**15**) (reductions to initial cash equivalents) for "paragraphs 7 to 11" substitute "paragraphs 7, 10, 11".

(7) In the heading to regulation 9 (increases and reductions of guaranteed cash equivalents) for "guaranteed cash equivalents" substitute "cash equivalents shown in the statement of entitlement".

(8) In regulation 9—

(a) for paragraph (1) substitute—

"(1) This regulation applies to a cash equivalent in respect of transferrable rights in relation to categories of benefits other than money purchase benefits where a statement of entitlement has been sent to a member of a salary related scheme by the trustees of the scheme.";

(b) in paragraphs (2), (3)(**16**), (5) and (6) for "guaranteed cash equivalent", in each place where it appears, substitute "cash equivalent shown in the statement of entitlement";

(c) in paragraph (5) for "Chapter IV of Part IV" substitute "Chapter 1 of Part 4ZA".

(9) In regulation 11 (disclosure)—

(a) for paragraph (1)(**17**) substitute—

"(1) Subject to paragraphs (1A) and (1B), a member to whom paragraph (1C) applies is entitled to receive from the trustees, on request, the information mentioned in Schedule 1 in writing.";

(b) after paragraph (1B) insert—

"(1C) This paragraph applies—

(a) to a member who is currently accruing rights to one of the categories of benefits;

(b) to a member who is no longer accruing rights to money purchase benefits unless, in respect of those benefits, a crystallisation event under section 89(7) has occurred.";

(c) in paragraph (4)(**18**)—

(i) for "to a guaranteed cash equivalent" substitute "provided under section 89A";

(**14**) Regulation 7C was inserted by regulation 4 of S.R. 2008 No. 370 and amended by regulation 3(3) of S.R. 2008 No. 388 and regulation 31(6) of S.R. 2014 No. 204

(**15**) Regulation 7D was inserted by regulation 4 of S.R. 2008 No. 370 and amended by regulation 31(7) of S.R. 2014 No. 204

(**16**) Paragraph (3) was amended by regulation 15(7) of S.R. 2005 No. 171

(**17**) Paragraphs (1), (1A) and (1B) were substituted for paragraph (1) by regulation 5(a) of S.R. 2008 No. 370

(**18**) Paragraph (4) was amended by regulation 4(a) of S.R. 2005 No. 20 and regulation 5(c) and (d) of S.R. 2008 No. 370

(ii) in sub-paragraph (b)(ii) after "cash equivalent", in the first place it appears, insert "in relation to each of the categories of benefits";

(iii) after sub-paragraph (b)(ii) insert—

"(iia) indicating the amount of the cash equivalent which is attributable to each of the categories of benefits included in the statement of entitlement;";

(d) in paragraphs (4)(b)(ii), (iv), (v) and (vi) and (5) for "guaranteed cash equivalent", in each place where it appears, substitute "cash equivalent shown in the statement of entitlement".

**Amendment of Part 5 of the 1996 Regulations**

**5.** In Part 5 of the 1996 Regulations (time limits for payment of cash equivalents) in regulation 13(a)(vi) (extension of time limits for payment of cash equivalents) for "guaranteed cash equivalent" substitute "cash equivalent shown in the statement of entitlement".

**Amendment of Part 6 of the 1996 Regulations**

**6.**—(1) Part 6 of the 1996 Regulations (modification of the Act) is amended in accordance with paragraphs (2) to (5).

(2) For regulation 14 (extension of time within which member may exercise option to take a guaranteed cash equivalent) substitute—

"**Extension of time within which member may exercise option to take a cash equivalent shown in the statement of entitlement**

**14.**—(1) This regulation applies where—

(a) the member disputes the amount of the cash equivalent shown in the statement of entitlement within 3 months beginning with the guarantee date; or

(b) the member's cash equivalent shown in the statement of entitlement has been reduced or increased under regulation 9, including where the member disputes the basis or amount of the increase or reduction within 3 months beginning with the date that the member is informed in writing that the cash equivalent has been reduced or increased.

(2) Where this regulation applies—

(a) if the member has made an application to take the cash equivalent under section 91(1)(**19**), that application lapses;

(b) the time for making a fresh application to take the cash equivalent under section 91(1) is extended so that the time is 3 months beginning with the date on which the member is informed in writing of—

(i) the reduced or increased cash equivalent; or, if later,

(ii) where the cash equivalent shown in the statement of entitlement has been disputed, the finally determined cash equivalent following the dispute, even where the cash equivalent has not changed; and

(c) the time specified in section 95(2)(a)(**20**) is extended so that the time is 6 months beginning with the date on which the member is informed in writing of—

(i) the reduced or increased cash equivalent; or, if later,

(**19**) Section 91(1) is substituted by paragraph 55(2) of Schedule 4 to the Pension Schemes Act 2015
(**20**) Section 95(2) is substituted by paragraph 59(2) of Schedule 4 to the Pension Schemes Act 2015