STATUTORY RULES OF NORTHERN IRELAND

2012 No. 267

PENSIONS

The Hybrid Schemes Quality Requirements Rules (Northern Ireland) 2012

Made - - - -	*29th June 2012*
Coming into operation	*1st July 2012*

The Department for Social Development makes the following Rules in exercise of the powers conferred by section 24(2) to (4) of the Pensions (No. 2) Act (Northern Ireland) 2008 [F1].

F1 2008 c. 13 (N.I.)

Citation, commencement and interpretation

1.—(1) These Rules may be cited as the Hybrid Schemes Quality Requirements Rules (Northern Ireland) 2012 and shall come into operation on 1st July 2012.

(2) In these Rules—

[F2]...

[F3]...

"normal pension age" has the same meaning as in section 175 of the Pension Schemes Act;

"the paragraph (a) quality requirements" means the requirements for a money purchase scheme under section 20 (and referred to in relation to hybrid schemes in section 24(1)(a));

"the paragraph (b) quality requirements" means the requirements for a defined benefits scheme under sections **[**[F4]sections 21 to 23A**]** (and referred to in relation to hybrid schemes in section 24(1)(b));

"relevant scheme" has the meaning given by rule 2(2).

(3) In these Rules any reference to a numbered section is a reference to the section of the Pensions (No. 2) Act (Northern Ireland) 2008 bearing that number.

F2 Words in rule 1(2) revoked (1.10.2016) by The Hybrid Schemes Quality Requirements (Amendment) Rules (Northern Ireland) 2016 (S.R. 2016/315), **rules 1**, 2(2)(a)

F3 Words in rule 1(2) revoked (1.10.2016) by The Hybrid Schemes Quality Requirements (Amendment) Rules (Northern Ireland) 2016 (S.R. 2016/315), **rules 1**, 2(2)(b)

F4 Words in rule 1(2) substituted (1.10.2016) by The Hybrid Schemes Quality Requirements (Amendment) Rules (Northern Ireland) 2016 (S.R. 2016/315), **rules 1**, 2(2)(c)

Application: general

2.—(1) These Rules apply to any hybrid scheme which falls within any of the descriptions specified in rules **[**F5rules 4 to 8**]**.

(2) Any scheme of a description specified in a particular rule is referred to in that rule as "a relevant scheme".

(3) In relation to each description of a relevant scheme, **[**F6rules 4 to 8**]** set out—

(a) how section 24(1) is to be applied in order to determine whether a particular scheme satisfies the quality requirements in relation to a jobholder, and

(b) if any such requirements are subject to prescribed modifications in their application to such a scheme.

F5 Words in rule 2(1) substituted (1.10.2016) by The Hybrid Schemes Quality Requirements (Amendment) Rules (Northern Ireland) 2016 (S.R. 2016/315), **rules 1**, 2(3)

F6 Words in rule 2(3) substituted (1.10.2016) by The Hybrid Schemes Quality Requirements (Amendment) Rules (Northern Ireland) 2016 (S.R. 2016/315), **rules 1**, 2(3)

Contracted-out hybrid schemes

F7**3.** . . . . . .

F7 Rule 3 revoked (1.10.2016) by The Hybrid Schemes Quality Requirements (Amendment) Rules (Northern Ireland) 2016 (S.R. 2016/315), **rules 1**, 2(4)

General rule for hybrid schemes

4.—(1) The hybrid schemes specified by this rule—

(a) are schemes under which the benefits to be paid to or in respect of members include both defined benefits and money purchase benefits, but

[F8(b) do not include any scheme falling within a description specified in any of rules 5 to 7.**]**

(2) In the application of section 24(1) to a relevant scheme, treat the provisions of the scheme relating to defined benefits and the provisions of the scheme relating to money purchase benefits as if they provided for benefits under separate schemes and—

(a) in respect of the money purchase benefits provisions, apply the paragraph (a) quality requirements;

(b) in respect of the defined benefits provisions, apply the paragraph (b) quality requirements.

(3) For the purposes of paragraph (2), if either the paragraph (a) quality requirements or the paragraph (b) quality requirements are satisfied, it is irrelevant whether the other paragraph's requirements are satisfied.

F8 Rule 4(1)(b) substituted (1.10.2016) by The Hybrid Schemes Quality Requirements (Amendment) Rules (Northern Ireland) 2016 (S.R. 2016/315), **rules 1**, 2(5)

Sequential hybrid schemes

5.—(1) The hybrid schemes specified by this rule are schemes under which the benefits to be paid to or in respect of members include both defined benefits and money purchase benefits, where a member—

(a) may not at the same time accrue both defined benefits and money purchase benefits, but

(b) may, in accordance with scheme rules, cease accruing one description of benefits and start accruing the other.

(2) In the application of section 24(1) to a relevant scheme—

(a) apply the general rule set out in rule 4(2), but

(b) for the purposes of this rule, the paragraph (a) quality requirements and the paragraph (b) quality requirements must each be satisfied in relation to the provisions of the scheme to which they are applied.

Self-annuitising hybrid schemes

6.—(1) The hybrid schemes specified by this rule are schemes under which—

(a) the rate or amount of pensions or other benefits to be paid to or in respect of members on or after their retirement at the normal pension age will be calculated wholly by reference to a payment or payments made by the member or by another person in respect of the member (or transfers or other credits), and

(b) a number of the pensions or other benefits provided to members on or after their retirement at the normal pension age shall be paid from the scheme's resources.

(2) In the application of section 24(1) to a relevant scheme, apply the paragraph (a) quality requirements.

Combination hybrid schemes

7.—(1) The hybrid schemes specified by this rule are schemes under which members accrue both defined benefits and money purchase benefits in respect of the same period of service.

(2) In the application of section 24(1) to a relevant scheme, treat the provisions of the scheme relating to defined benefits and the provisions of the scheme relating to money purchase benefits as if they provided for benefits under separate schemes and determine which requirements are to apply to the scheme in accordance with paragraphs (3) and (4).

(3) The first step is to apply the general rule set out in rule 4(2) and, if either the paragraph (a) quality requirements or the paragraph (b) quality requirements are satisfied—

(a) it is irrelevant whether the other paragraph's requirements are satisfied, and

(b) there is no need to take the second step.

(4) The second step is to determine whether the paragraph (a) quality requirements and the paragraph (b) quality requirements may nevertheless be regarded as being satisfied in accordance with the modifications set out in regulation 43 of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (Northern Ireland) 2010 [F9] (modification allowing different quality requirements to be satisfied in aggregate).

F9 S.R. 2010 No. 122; regulation 43 is amended by regulation 2(20) of S.R. 2012 No. 232

Schemes where more than one rule applies

8.—(1) The hybrid schemes specified by this rule are schemes under which—