STATUTORY RULES OF NORTHERN IRELAND

2012 No. 120

PENSIONS

The Pensions (2008 Act) (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Provisions) Regulations (Northern Ireland) 2012

Made - - - - 14th March 2012

Coming into operation in accordance with regulation 1

Approved by resolution of the Assembly on 11th September 2012

The Department for Social Development makes the following Regulations in exercise of the powers conferred by section 13(5) and (6) of the Pensions Act (Northern Ireland) 2008 [F1].

F1 2008 c. 1 (N.I.)

PART 1

General

Citation and commencement

1. These Regulations may be cited as the Pensions (2008 Act) (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Provisions) Regulations (Northern Ireland) 2012 and shall come into operation—

(a) for the purposes of this Part and Part 2, on 6th April 2012;

(b) for the purposes of Part 3, on 6th April 2013, and

(c) for the purposes of Part 4, on 6th April 2015.

PART 2

Amendments coming into operation on 6th April 2012

Amendment of the Administration Act

2.—(1) The Administration Act is amended in accordance with paragraphs (2) and (3).

(2) In section 132(3A) [F2] (annual up-rating of benefits) after "Where a member of" insert " a scheme which was at a time before the abolition date (as defined in section 176(1) [F3] of the Pensions Act [F4]) ".

(3) In section 167(1) (interpretation)—

(a) for the definition of "money purchase contracted-out scheme"[F5] substitute—

""money purchase contracted-out scheme" is to be construed in accordance with section 176A [F6] of the Pensions Act;";

(b) in the definition of "personal pension scheme"[F7] for "section 3" substitute " section 176A(6) ".

F2 Section 132(3A) was inserted by paragraph 41(b) of Schedule 7 to the Pension Schemes (Northern Ireland) Act 1993 (c. 49)

F3 The definition of "abolition date" is inserted by paragraph 34(2)(a) of Schedule 4 to the Pensions Act (Northern Ireland) 2008

F4 The definition of "the Pensions Act" was inserted by paragraph 42(c) of Schedule 7 to the Pension Schemes (Northern Ireland) Act 1993

F5 The definition of "money purchase contracted-out scheme" was inserted by paragraph 42(a) of Schedule 7 to the Pension Schemes (Northern Ireland) Act 1993

F6 Section 176A is inserted by paragraph 35 of Schedule 4 to the Pensions Act (Northern Ireland) 2008

F7 The definition of "personal pension scheme" was amended by paragraph 42(d) of Schedule 7 to the Pension Schemes (Northern Ireland) Act 1993

Amendment of the Pensions (No. 2) Act

3.—(1) The Pensions (No. 2) Act (Northern Ireland) 2008 [F8] is amended in accordance with paragraphs (2) and (3).

(2) In section 20 (quality requirement: UK money purchase schemes) omit subsection (2).

(3) In section 26 (quality requirement: UK personal pension schemes) omit subsection (8).

F8 2008 c. 13 (N.I.)

Amendment of the Personal Pension Schemes (Disclosure of Information) Regulations

[F9]**4.** . . . . . .

F9 Reg. 4 revoked (6.4.2014) by The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations (Northern Ireland) 2014 (S.R. 2014/79), regs. 1(1), 32, **Sch. 10**

Amendment of the Occupational Pension Schemes (Preservation of Benefit) Regulations

5. In regulation 11A(2) of the Occupational Pension Schemes (Preservation of Benefit) Regulations (Northern Ireland) 1991 [F10] (further alternative to short service benefit – transfer to an overseas arrangement)—

(a) at the end of sub-paragraph (a) add " and ";

(b) omit sub-paragraph (b).

F10 S.R. 1991 No. 37; regulation 11A was inserted by regulation 2(6) of S.R. 1996 No. 620

Amendment of the Occupational Pension Schemes (Contracting-out) Regulations

6.—(1) The Occupational Pension Schemes (Contracting-out) Regulations (Northern Ireland) 1996 [F11] are amended in accordance with paragraphs (2) to (18).

(2) In regulation 1(2) (interpretation) in the definition of "overseas scheme"[F12] omit "or (3)".

(3) In regulation 3(2)(g)(i) [F13] (notices by employers of intended election) omit "whether the employment would be contracted out by reference to a salary related or money purchase contracted-out scheme and".

(4) In regulation 6 (information to be included in an election) omit paragraph (4).

(5) In regulation 9(3)(b) (making of elections by employers for the variation or surrender of contracting-out certificates) omit "in the case of a money purchase contracted-out scheme, the protected rights under, or in the case of any other scheme,".

(6) In regulation 10(1)(a) (special provision with regard to elections for the issue, variation or surrender of certificates where the employment remains contracted out) omit ", or for protected rights, as the case may be,".

[F14](7) . . . . . .

(8) Omit regulation 30 (further contracting-out requirements for money purchase contracted-out schemes).

(9) In regulation 31(3)(a) [F15] (deduction of minimum payments from earnings) after "section 38B of the Act" insert " as it had effect immediately prior to the abolition date ".

(10) In regulation 32(1) (minimum payments to be made by employers to trustees)—

(a) for "section 4(1) of the Act" substitute " section 4(1A) [F16] of the Act ";

(b) for "employment is contracted out" substitute " employment was contracted out ".

(11) Omit regulation 39 [F17] (circumstances in which schemes may change mode of contracting out).

(12) Omit regulation 40 [F18] (schemes which may not be contracted out under section 5(3) of the Act).

[F19](13) . . . . . .

[F20](14) . . . . . .

(15) In regulation 45(2) (approval of arrangements for schemes ceasing to be contracted out) omit ", section 24(2)(b) and (3) of the Act (transfer of protected rights)".

[F21](16) . . . . . .

[F22](17) . . . . . .

(18) In regulation 62(3) (fixed rate revaluation of guaranteed minimum pensions for early leavers) —

(a) omit "or section 24 (ways of giving effect to protected rights)";

(b) for "those provisions" substitute " that provision ".

F11 S.R. 1996 No. 493; relevant amending provisions are S.R. 1997 Nos. 160 and 162, S.R. 1999 No. 486, S.R. 2001 No. 118, S.R. 2002 No. 109, S.R. 2005 No. 568, **S.I.** 2005/3377, S.I. 2006/744, S.R. 2007 Nos. 185 and 457, S.I. 2008/1903 and S.R. 2009 No. 113

F12 The definition of "overseas scheme" was substituted by regulation 4(2) of S.R. 2007 No. 185 and amended by regulation 6(b) of S.R. 2007 No. 457
F13 Regulation 3(2)(g) was amended by regulation 2(2)(b) of S.R. 2002 No. 109
F14 Reg. 6(7) revoked (6.4.2016) by The Occupational Pension Schemes (SchemesthatwereContracted-out) Regulations (NorthernIreland) 2016 (S.R. 2016/107), reg. 1(a), **Sch. 2**
F15 Regulation 31(3) was amended by regulation 2(11)(b) of S.R. 2002 No. 109
F16 Section 4(1A) is inserted by paragraph 3(3) of Schedule 4 to the Pensions Act (Northern Ireland) 2008
F17 Regulation 39 was amended by regulation 3(2) of S.R. 1997 No. 162 and Article 3(4) of S.R. 2009 No. 113
F18 Regulation 40 was amended by regulation 3 of S.R. 2001 No. 118 and Article 28(8) of S.I. 2006/744
F19 Reg. 6(13) revoked (6.4.2016) by The Occupational Pension Schemes (SchemesthatwereContracted-out) Regulations (NorthernIreland) 2016 (S.R. 2016/107), reg. 1(a), **Sch. 2**
F20 Reg. 6(14) revoked (6.4.2016) by The Occupational Pension Schemes (SchemesthatwereContracted-out) Regulations (NorthernIreland) 2016 (S.R. 2016/107), reg. 1(a), **Sch. 2**
F21 Reg. 6(16) revoked (6.4.2016) by The Occupational Pension Schemes (SchemesthatwereContracted-out) Regulations (NorthernIreland) 2016 (S.R. 2016/107), reg. 1(a), **Sch. 2**
F22 Reg. 6(17) revoked (6.4.2016) by The Occupational Pension Schemes (SchemesthatwereContracted-out) Regulations (NorthernIreland) 2016 (S.R. 2016/107), reg. 1(a), **Sch. 2**

Amendment of the Contracting-out (Transfer and Transfer Payment) Regulations

7.—(1) The Contracting-out (Transfer and Transfer Payment) Regulations (Northern Ireland) 1996 [F23] are amended in accordance with paragraphs (2) to (4).

(2) In regulation 1(2) (interpretation)—

(a) omit the definitions of "appropriate personal pension scheme" and "money purchase contracted-out scheme";

(b) in the definition of "overseas arrangement"—

(i) in paragraph (a) for "earners;" substitute " earners, and ";

(ii) omit paragraph (b).

(3) For regulation 5 (transfer payments in respect of guaranteed minimum pensions to money purchase contracted-out schemes and appropriate personal pension schemes) substitute—

"**Transfer payments in respect of guaranteed minimum pensions to occupational and personal pension schemes**

5. A transfer payment in respect of a guaranteed minimum pension may be made to a scheme which is not a salary related contracted-out scheme, an overseas scheme [F24] or an overseas arrangement if—

(a) the earner consents in writing;

(b) the transfer payment (whether or not it forms part of a larger payment in respect of both guaranteed minimum pensions and other rights) is of an amount at least equal to the cash equivalent of the earner's accrued rights to guaranteed minimum pensions, as calculated and verified in a manner consistent with regulations made under section 93 [F25] (calculation of cash equivalents), and

(c) the earner has acknowledged in writing to the transferring scheme that the earner has received a statement from the receiving scheme showing the benefits to be awarded in respect of the transfer payment, and that the earner accepts that—

(i) the benefits to be provided by the receiving scheme may be in a different form and of a different amount to those which would have been payable by the transferring scheme, and

(ii) there is no statutory requirement on the receiving scheme to provide for survivors' benefits out of the transfer payment.".

(4) For regulation 10 (transfer payments to money purchase contracted-out schemes and appropriate personal pension schemes in respect of section 5(2B) rights) substitute—

"**Transfer payments to occupational and personal pension schemes in respect of section 5(2B) rights**

10. A transfer payment in respect of an earner's accrued section 5(2B) rights may be made to a scheme which is not a salary related contracted-out scheme, an overseas scheme or an overseas arrangement if—

(a) the earner consents in writing, and

(b) the earner has acknowledged in writing to the transferring scheme that the earner has received a statement from the receiving scheme showing the benefits to be awarded in respect of the transfer payment, and that the earner accepts that—

(i) the benefits to be provided by the receiving scheme may be in a different form and of a different amount to those which would have been payable by the transferring scheme, and

(ii) there is no statutory requirement on the receiving scheme to provide for survivors' benefits out of the transfer payment.".

F23 S.R. 1996 No. 618; relevant amending Regulations are S.R. 1997 No. 160, S.R. 1999 No. 486 and S.R. 2007 Nos. 185 and 457

F24 The definition of "overseas scheme" was substituted by regulation 6 of S.R. 2007 No. 185 and amended by regulation 8(b) of S.R. 2007 No. 457

F25 Section 93 was amended by paragraph 6 of Schedule 4 to the Pensions (Northern Ireland) Order 1995 and paragraph 5(1) of Schedule 5 to the Child Support, Pensions and Social Security Act (Northern Ireland) 2000 (c. 4 (N.I.))

Amendment of the Occupational Pension Schemes (Disclosure of Information) Regulations

F26 8. . . . . . .

F26 Reg. 8 revoked (6.4.2014) by The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations (Northern Ireland) 2014 (S.R. 2014/79), regs. 1(1), 32, **Sch. 10**

Amendment of the Personal Pension Schemes (Appropriate Schemes) Regulations

9.—(1) The Personal Pension Schemes (Appropriate Schemes) Regulations (Northern Ireland) 1997 **F27** are amended in accordance with paragraphs (2) and (3).

(2) In regulation 1(2) (interpretation) omit the definition of "administrators".

(3) The following regulations are omitted—

(a) regulation 2 **F28** (schemes which may be appropriate schemes);