STATUTORY RULES OF NORTHERN IRELAND

2006 No. 282

PENSIONS

The Pension Protection Fund (Pension Sharing) Regulations (Northern Ireland) 2006

Made - - - -	*27th June 2006*
Coming into operation	*1st August 2006*

The Department for Social Development makes the following Regulations in exercise of the powers conferred by Articles 199 and 287(2) and (3) of the Pensions (Northern Ireland) Order 2005(**1**).

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Pension Protection Fund (Pension Sharing) Regulations (Northern Ireland) 2006 and shall come into operation on 1st August 2006.

(2) In these Regulations "the 2005 Order" means the Pensions (Northern Ireland) Order 2005.

Modification of the 1999 Order

2.—(1) Paragraph (2) applies in relation to any case specified in Article 199(2) of the 2005 Order (pension sharing).

(2) In a case in relation to which this paragraph applies, Chapter I of Part V of the 1999 Order (pension sharing) shall be modified so that it applies as if—

(a) in Article 24 (scope of mechanism)—

(i) after paragraph (2) there were inserted the following paragraph—

"(2A) Where paragraphs (4) and (5) apply, a person's shareable rights under a pension arrangement include any entitlement to PPF compensation brought within the remit of a pension sharing order or provision by virtue of those paragraphs.";

(ii) after paragraph (3) there were added the following paragraphs—

"(4) Subject to paragraph (6), paragraph (5) applies where a pension sharing order or provision—

(a) imposes requirements on the trustees or managers of an occupational pension scheme for which the Board has assumed responsibility in

(**1**) S.I. 2005/255 (N.I. 1); Part III is modified in its application to partially guaranteed schemes by S.R. 2005 No. 55, in its application to hybrid schemes by S.R. 2005 No. 84 and in its application to multi-employer schemes by S.R. 2005 No. 91 (as amended by S.R. 2005 Nos. 194 and 357) and S.R. 2006 No. 84

accordance with Chapter 3 of Part III of the Pensions (Northern Ireland) Order 2005 or Chapter 3 of Part 2 of the Pensions Act 2004(**2**) (pension protection), and

(b) was made before the trustees or managers of the scheme received the transfer notice in relation to the scheme.

(5) A pension sharing order or provision is, from the time when the trustees or managers of the scheme receive the transfer notice, to be applied as if references in that order or provision to—

(a) the trustees or managers of the scheme were references to the Board, and

(b) any pension to which the party with pension rights is, or may be, entitled under the scheme were references to PPF compensation to which that person is, or may be, entitled in respect of the pension.

(6) Paragraph (5)(b) does not apply in the case of liabilities that fall to be discharged by the Board under Article 154 of the Pensions (Northern Ireland) Order 2005 or section 170 of the Pensions Act 2004 (discharge of liabilities in respect of money purchase benefits).

(7) In this Article "transfer notice" has the meaning given by Article 144 of the Pensions (Northern Ireland) Order 2005 or, as the case may be, section 160 of the Pensions Act 2004.";

(b) in Article 27 (cash equivalents) after paragraph (2) there were added the following paragraph—

"(3) In the case of shareable rights to which Article 24(2A) applies, the cash equivalent shall be calculated and verified in such manner as may be approved by the Board.";

(c) in Article 43(1) (interpretation of Chapter I)—

(i) in the definition of "pension arrangement" after paragraph (e) there were added the following paragraph—

"(f) the Pension Protection Fund;";

(ii) after the definition of "personal pension scheme" there were inserted the following definition—

""PPF compensation" means compensation payable under the pension compensation provisions as specified in Article 146(2) of the Pensions (Northern Ireland) Order 2005 or section 162(2) of the Pensions Act 2004;";

(d) in Schedule 5 (pension credits: mode of discharge) after paragraph 3 (other unfunded occupational pension schemes) there were inserted the following paragraphs—

"Pension Protection Fund: compensation

3A.—(1) This paragraph applies to a pension credit which derives from an occupational pension scheme for which the Board has assumed responsibility.

(2) The Board shall discharge its liability in respect of a pension credit in accordance with Chapter 3 of Part III of the Pensions (Northern Ireland) Order 2005 or Chapter 3 of Part 2 of the Pensions Act 2004 (pension protection).

(3) For the purposes of sub-paragraph (2)—

(**2**) 2004 c. 35; Part 2 is modified in its application to partially guaranteed schemes by S.I. 2005/277, in its application to multi-employer schemes by S.I. 2005/441 (as amended by S.I. 2005/993 and 2113) and S.I. 2006/566, and in its application to hybrid schemes by S.I. 2005/449