STATUTORY RULES OF NORTHERN IRELAND

2006 No. 84

PENSIONS

The Occupational Pension Schemes (Pension Protection Levies) (Transitional Period and Modification for Multi-employer Schemes) Regulations (Northern Ireland) 2006

Made - - - -	*6th March 2006*
Coming into operation	*30th March 2006*

The Department for Social Development makes the following Regulations in exercise of the powers conferred by Articles 163(1)(a) and (3) 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 Occupational Pension Schemes (Pension Protection Levies) (Transitional Period and Modification for Multi-employer Schemes) Regulations (Northern Ireland) 2006 and shall come into operation on 30th March 2006.

(2) In these Regulations—

"employer" has the meaning given by regulation 1(3)(**2**) of the Multi-employer Regulations (interpretation of "employer" in relation to certain multi-employer schemes);

"member" has the meaning given by Article 2(2) except that it does not include a person who is entitled only to money purchase benefits;

"the Multi-employer Regulations" means the Pension Protection Fund (Multi-employer Schemes) (Modification) Regulations (Northern Ireland) 2005(**3**);

"multi-employer section" means a section of a segregated scheme which has at least two employers in relation to that section;

"non-segregated scheme" means a multi-employer scheme which is not divided into two or more sections;

"segregated scheme" means a multi-employer scheme which is divided into two or more sections where—

(**1**) S.I. 2005/255 (N.I. 1); Part III is modified in its application to partially guaranteed schemes, hybrid schemes and multi-employer schemes by, respectively, S.R. 2005 Nos. 55, 84 and 91 (as amended by S.R. 2005 Nos. 194 and 357)
(**2**) Regulation 1(3) of S.R. 2005 No. 91 was substituted by regulation 3(2)(b) of S.R. 2005 No. 357
(**3**) S.R. 2005 No. 91; relevant amending Regulations are S.R 2005 No. 357

(a) any contributions payable to the scheme by an employer in relation to the scheme or by a member are allocated to that employer's or that member's section, and

(b) a specified proportion of the assets of the scheme is attributable to each section of the scheme and cannot be used for the purposes of any other section.

(3) In these Regulations, any reference to a numbered Article is a reference to the Article of the Pensions (Northern Ireland) Order 2005 bearing that number.

Transitional period

2. For the purposes of Article 163 (pension protection levies during the transitional period), the transitional period is the period of 12 months beginning on 1st April 2006.

Modification of Article 158 for the financial year beginning on 1st April 2006: segregated schemes

3.—(1) This regulation applies to a segregated scheme for the financial year beginning on 1st April 2006.

(2) In the case of a segregated scheme to which this regulation applies—

(a) Article 158(**4**) (pension protection levies) shall have effect as if each section of the scheme were a separate scheme, and

(b) references in Article 158(1) to "eligible schemes" shall be read as if they were references to sections of a scheme in circumstances where those sections, if they were schemes, would not be—

(i) money purchase schemes;

(ii) schemes which are schemes prescribed or schemes of a description prescribed by virtue of regulations(**5**) made under Article 110(1)(b) (eligible schemes);

(iii) schemes to which Article 110(2) applies, or

(iv) schemes which are not eligible schemes by virtue of regulations made under Article 110(5).

Modification of Article 158 for the financial year beginning on 1st April 2006: non-segregated schemes

4.—(1) This regulation applies to a non-segregated scheme for the financial year beginning on 1st April 2006.

(2) Article 158 (pension protection levies) shall be modified so that it shall be read as if—

(a) in the case of a scheme—

(i) to which this regulation applies, and

(ii) the rules of which contain a requirement—

(aa) for the trustees or managers to segregate such part of the assets as is attributable to the liabilities of the scheme to provide pensions or other benefits to, or in respect of, the pensionable service of some, or all, of the members of the scheme by reference to an employer in relation to that scheme;

(**4**) Article 158 is modified in relation to segregated schemes by regulation 73, in relation to non-segregated schemes by regulation 74, and in relation to multi-employer sections of segregated schemes by regulation 75, of S.R. 2005 No. 91

(**5**) The regulations made under Article 110(1)(b) and (5) are S.R 2005 No. 126 as amended by S.R. 2005 Nos. 194, 357, 364 and 387

(bb) which would be triggered when such an employer ceased to participate in the scheme,

for sub-paragraph (a) of paragraph (2) there were substituted the following sub-paragraph—

"(a) a risk-based pension protection levy is a levy assessed by reference to—

(i) the difference between the value of the scheme's assets (disregarding any assets representing the value of any rights in respect of money purchase benefits under the scheme rules) and the amount of its protected liabilities,

(ii) where the Board considers it appropriate, the scheme rules containing a requirement for the trustees or managers of the scheme to segregate such part of the assets of the scheme as is attributable to the scheme's liabilities to provide pensions or other benefits to, or in respect of, the pensionable service of some, or all, of the members by reference to an employer in relation to the scheme in circumstances where that employer ceases to participate in the scheme,

(iii) the likelihood of an insolvency event occurring—

(aa) where, on or before 31st March 2006, the Board has received sufficient information to assess the likelihood of an insolvency event occurring in relation to each employer in relation to the scheme and such an assessment would reduce the amount of the risk-based pension protection levy which would otherwise be payable, in relation to each employer in relation to that scheme, or

(bb) in all other cases, in relation to the employer who on 31st March 2006 has most members of the scheme or, where two or more employers have most members, each of those employers, and

(iv) if the Board considers it appropriate, one or more other risk factors mentioned in paragraph (3), and";

(b) in the case of a scheme—

(i) to which this regulation applies, and

(ii) the rules of which give the trustees or managers an option to segregate such part of the assets as is attributable to the liabilities of the scheme to provide pensions or other benefits to, or in respect of, the pensionable service of some, or all, of the members of the scheme by reference to an employer in relation to that scheme when an employer in relation to the scheme ceases to participate in the scheme,

for sub-paragraph (a) of paragraph (2) there were substituted the following sub-paragraph —

"(a) a risk-based pension protection levy is a levy assessed by reference to—

(i) the difference between the value of the scheme's assets (disregarding any assets representing the value of any rights in respect of money purchase benefits under the scheme rules) and the amount of its protected liabilities,

(ii) where the Board considers it appropriate, the scheme rules containing an option to segregate such part of the assets of the scheme as is attributable to the scheme's liabilities to provide pensions or other benefits to, or in respect of, the pensionable service of some, or all, of the members by reference to an employer in relation to the scheme in circumstances where that employer ceases to participate in the scheme,

(iii) the likelihood of an insolvency event occurring—

(aa) where, on or before 31st March 2006, the Board has received sufficient information to assess the likelihood of an insolvency event occurring in relation to each employer in relation to the scheme and such an assessment would reduce the amount of the risk-based pension protection levy which would otherwise be payable, in relation to each employer in relation to that scheme, or

(bb) in all other cases, in relation to the employer who on 31st March 2006 has most members of the scheme or, where two or more employers have most members, each of those employers, and

(iv) if the Board considers it appropriate, one or more other risk factors mentioned in paragraph (3), and";

(c) in the case of a scheme—

(i) to which this regulation applies, and

(ii) the rules of which do not contain a requirement—

(aa) for the trustees or managers to segregate such part of the assets as is attributable to the liabilities of the scheme to provide pensions or other benefits to, or in respect of, the pensionable service of some, or all, of the members of the scheme by reference to an employer in relation to that scheme;

(bb) which would be triggered when such an employer ceased to participate in the scheme,

for sub-paragraph (a) of paragraph (2) there were substituted the following sub-paragraph—

"(a) a risk-based pension protection levy is a levy assessed by reference to—

(i) the difference between the value of the scheme's assets (disregarding any assets representing the value of any rights in respect of money purchase benefits under the scheme rules) and the amount of its protected liabilities,

(ii) the likelihood of an insolvency event occurring—

(aa) where, on or before 31st March 2006, the Board has received sufficient information to assess the likelihood of an insolvency event occurring in relation to all the employers in relation to the scheme and such an assessment would reduce the amount of the risk-based pension protection levy which would otherwise be payable, in relation to all the employers in relation to that scheme, or