STATUTORY RULES OF NORTHERN IRELAND

2005 No. 567

PENSIONS

The Occupational Pension Schemes (Internal Controls) Regulations (Northern Ireland) 2005

Made - - - -	*16th December 2005*
Coming into operation	*30th December 2005*

The Department for Social Development, being a Department designated(**1**) for the purposes of section 2(2) of the European Communities Act 1972(**2**), in relation to personal and occupational pensions, in exercise of the powers conferred on it by that section and Article 85(2)(k) of the Pensions (Northern Ireland) Order 2005(**3**), and of all other powers enabling it in that behalf, hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Occupational Pension Schemes (Internal Controls) Regulations (Northern Ireland) 2005 and shall come into operation on 30th December 2005.

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

(3) The Interpretation Act (Northern Ireland) 1954(**4**) shall apply to these Regulations as it applies to an Act of the Assembly.

Amendment of the Order

2. After Article 226 of the Order (requirement for knowledge and understanding: supplementary) there shall be inserted the following Article—

"**Requirement for internal controls**

226A.—(1) The trustees or managers of an occupational pension scheme must establish and operate internal controls which are adequate for the purpose of securing that the scheme is administered and managed—

(a) in accordance with the scheme rules, and

(**1**) *See* Schedule 2 to the European Communities (Designation) (No. 7) Order 2004 (S.I.2004/3328)
(**2**) 1972 c. 68
(**3**) S.I. 2005/255 (N.I. 1)
(**4**) 1954 c. 33 (N.I.)

(b) in accordance with the requirements of the law.

(2) Nothing in this Article affects any other obligation of the trustees or managers of an occupational pension scheme to establish or operate internal controls, whether imposed by or by virtue of any statutory provision, the scheme rules or otherwise.

(3) This Article does not apply in relation to—

(a) a scheme which is—

(i) established by, or under, a statutory provision, and

(ii) guaranteed by a public authority,

(b) a pay-as-you-go scheme,

(c) a scheme which is established under section 48 of the Northern Ireland Act 1998(**5**) (pensions of members), or which was established under Part II of the Ministerial Salaries and Members' Pensions Act (Northern Ireland) 1965(**6**) or Article 3 of the Assembly Pensions (Northern Ireland) Order 1976(**7**).

(4) Paragraph (3) does not disapply this Article in relation to any scheme the trustees or managers of which are—

(a) authorised under Article 264 (general authorisation to accept contributions from European employers), or

(b) approved under Article 265 in relation to a European employer.

"internal controls" means—

(a) arrangements and procedures to be followed in the administration and management of the scheme,

(b) systems and arrangements for monitoring the administration and management of the scheme, and

(c) arrangements and procedures to be followed for the safe custody and security of the assets of the scheme;

"local authority" has the meaning given by Article 2(2) of the Superannuation (Northern Ireland) Order 1972(**8**);

"pay-as-you-go scheme" means an occupational pension scheme under which there is no requirement for assets to be set aside in advance for the purpose of providing benefits under the scheme (disregarding any requirements relating to additional voluntary contributions);

"public authority" means—

(a) a Minister of the Crown (within the meaning of the Ministers of the Crown Act 1975(**9**)),

(b) a government department (including any body or authority exercising statutory functions on behalf of the Crown), or

(c) a local authority.

In this Article—".

(**5**) 1998 c. 47
(**6**) 1965 c. 18 (N.I.)
(**7**) S.I. 1976/1779
(**8**) S.I. 1972/1073 (N.I. 10)
(**9**) 1975 c. 26