STATUTORY RULES OF NORTHERN IRELAND

2005 No. 137

PENSIONS

The Occupational Pension Schemes (Modification of Pension Protection Provisions) Regulations (Northern Ireland) 2005

Made - - - -	*18th March 2005*
Coming into operation	*6th April 2005*

The Department for Social Development, in exercise of the powers conferred on it by Articles 151(1) and 287(3) of the Pensions (Northern Ireland) Order 2005(**1**) 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 (Modification of Pension Protection Provisions) Regulations (Northern Ireland) 2005 and shall come into operation on 6th April 2005.

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

Valuations of assets and liabilities for determining if the Board must assume responsibility for schemes

2.—(1) Articles 127 (Board's obligation to obtain valuation of assets and protected liabilities) and 142 (duty to assume responsibility for closed schemes) of the Order shall be amended in accordance with paragraphs (2) and (3) respectively.

(2) In Article 127 –

(a) after paragraph (5) there shall be inserted the following paragraphs –

"(5A) Paragraph (5B) applies if –

(a) during the pre-approval period any liability to provide pensions or other benefits to or in respect of any member or members under the scheme is discharged by virtue of regulations under Article 119(4) or the Board validating any action mentioned in Article 119(9), and

(b) at the relevant time the protected liabilities of the scheme include any cost within Article 115(1)(a) relating to compensation in respect of those pensions or other benefits.

(**1**) S.I.2005/255 (N.I. 1)

(5B) If this paragraph applies, for the purposes mentioned in paragraph (2) –

(a) in determining that cost the effect of the discharge on the compensation payable in respect of those pensions or other benefits under paragraph 23A of Schedule 6 must be taken into account,

(b) in a case where assets of the scheme at the relevant time were transferred from the scheme during the pre-approval period in consideration for the discharge, those assets are not to be regarded as assets of the scheme at the relevant time, and

(c) in a case where assets that were not assets of the scheme at that time ("later-acquired assets") were so transferred, the value of the assets of the scheme at that time is to be reduced by the value of the later-acquired assets at the time of the discharge.";

(b) in paragraph (9) after "or (4)" there shall be inserted "or by virtue of paragraph (5B)".

(3) In Article 142(6)(a) after "(5)" there shall be inserted ", (5A), (5B)".

Effect of discharge of liability on compensation under Schedule 6 to the Order

3. In Schedule 6 to the Order (pension compensation provisions) after paragraph 23 there shall be inserted the following paragraph –

"Effect of discharge of liability during or immediately before assessment period

23A.—(1) This paragraph applies if –

(a) at any time during the assessment period in relation to the scheme (or, if there has been more than one such assessment period, the last one) any liability to provide pensions or other benefits to or in respect of any member or members under the scheme is discharged by virtue of –

(i) regulations under Article 119(4), or

(ii) the Board validating any action mentioned in Article 119(9), or

(b) any such liability is discharged on the assessment date, but before the commencement of the assessment period,

and compensation is payable in accordance with this Schedule in respect of the pensions or other benefits (apart from this paragraph).

(2) Any entitlement to compensation under this Schedule in respect of the pensions or other benefits that arose before the discharge ceases on the discharge, except so far as the entitlement was to a payment falling to be made before the discharge.

(3) After the discharge any compensation payable under this Schedule in respect of the pensions or other benefits is determined on the basis that –

(a) the discharge occurred immediately before the assessment date, and

(b) the admissible rules of the scheme provided –

(i) for the discharge to occur at that time, and

(ii) accordingly, for entitlement under those rules to the pensions or other benefits then to cease or, as the case may be, to cease to the extent to which liability in respect of them is discharged.".