STATUTORY RULES OF NORTHERN IRELAND

2005 No. 84

PENSIONS

The Pension Protection Fund (Hybrid Schemes) (Modification) Regulations (Northern Ireland) 2005

Made - - - -	*10th March 2005*
Coming into operation	*6th April 2005*

The Department for Social Development, in exercise of the powers conferred on it by Articles 119(4), 280(1)(a) and (2)(b) 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 Pension Protection Fund (Hybrid Schemes) (Modification) 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.

(3) In these Regulations, any reference to a numbered Article, or Schedule, is a reference to the Article of, or Schedule to, the Order bearing that number.

Discharge of liabilities in respect of money purchase benefits during the assessment period

2.—(1) The circumstances prescribed for the purposes of Article 119(4) (restrictions on winding up, discharge of liabilities etc.) are that –

(a) the scheme concerned is a hybrid scheme, and

(b) one or more members of the scheme are entitled, or have rights, under the scheme rules to money purchase benefits.

(2) The conditions prescribed for the purposes of Article 119(4) are that –

(a) a scheme failure notice issued under Article 106 (insolvency practitioner's duty to issue notices confirming status of scheme) or Article 114 (Board's duty where application or notification received under Article 113) in relation to the scheme has become binding(**2**), and

(b) the –

(**1**) S.I.2005/255 (N.I. 1)
(**2**) *See* Articles 109 and 114(6) of the Pensions (Northern Ireland) Order 2005

(i) liability of the scheme which is to be discharged is to, or in respect of, a member of the scheme in respect of money purchase benefits, or

(ii) member's rights under the scheme rules which are to be transferred, or in respect of which transfer payments are to be made, are rights to money purchase benefits.

(3) In this regulation –

"pension credit rights" means rights to future benefits under the scheme which are attributable (directly or indirectly) to a pension credit, and

"rights" includes pension credit rights.

Modification of Part III of the Order

3.—(1) In relation to a hybrid scheme, Article 118 (directions) applies as if, after paragraph (2), there were inserted the following paragraph –

"(2A) The Board may give a relevant person directions regarding the exercise during that period of his powers in respect of discharging the liabilities of the scheme to, or in respect of, a member of the scheme in respect of money purchase benefits.".

(2) In relation to a hybrid scheme, in respect of a person who –

(a) is (immediately before the assessment date) a member of that scheme, and

(b) has rights to money purchase benefits under the scheme rules,

Schedule 6 (pension compensation provisions) applies with the modifications prescribed in paragraphs (3) and (4).

(3) Paragraph 20(1)(b) of Schedule 6 (compensation in respect of scheme right to transfer payment or contribution refund) applies as if –

(a) the reference to benefits does not include money purchase benefits, and

(b) the reference to contributions does not include contributions made in respect of money purchase benefits under the scheme.

(4) Schedule 6 applies as if, after paragraph 31 (special provision in relation to certain pensions in payment before the assessment date), there were inserted the following paragraph –

"Special provision in relation to certain persons not entitled to compensation

31A.—(1) Where –

(a) immediately before the assessment date, a person ("the member") is entitled to present payment of a pension or a lump sum, or has a right to a pension or a lump sum, under the scheme rules, and

(b) the effect of disregarding rules within paragraph 35(2)(a) is that he is not entitled to compensation under paragraph 3, 5, 7, 8, 10, 11, 14, 15 or 19 in respect of a period of pensionable service,

the Board must pay to the member the amount of the contributions made by him to the scheme in respect of that period of pensionable service together with interest on it.

(2) The interest shall be calculated at the base rate on a day-to-day basis from the time the contribution was made by the member to the scheme until the date of repayment and compounded with three-monthly rests.

(3) The amount is payable to the member immediately after the transfer notice given under Article 144 (transfer notice) is received by the trustees or managers of the scheme.

(4) In this paragraph –