STATUTORY RULES OF NORTHERN IRELAND

2003 No. 337

PENSIONS

The Occupational Pension Schemes (Transfer Values and Miscellaneous Amendments) Regulations (Northern Ireland) 2003

Made - - - -	*16th July 2003*
Coming into operation	*4th August 2003*

The Department for Social Development, in exercise of the powers conferred on it by sections 93(1), (2)(b) and (3)(c), 97I, 97L(1) and (2)(b), 177(2) to (4) and 178(3) of the Pension Schemes (Northern Ireland) Act 1993(**1**) and Articles 21(1)(c), 27(1), 42(1) and 73(4) of, and paragraph 8(1) of Schedule 5 to, the Welfare Reform and Pensions (Northern Ireland) Order 1999(**2**), and now vested in it(**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 (Transfer Values and Miscellaneous Amendments) Regulations (Northern Ireland) 2003 and shall come into operation on 4th August 2003.

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

Amendment of the Occupational Pension Schemes (Transfer Values) Regulations

2.—(1) The Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1996(**5**) shall be amended in accordance with paragraphs (2) and (3).

(2) In regulation 1(2) (interpretation) after the definition of "cash equivalent" there shall be inserted the following definition –

(**1**) 1993 c. 49; sections 97I and 97L were inserted by Article 34 of the Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147 (N.I. 11)); section 178(3) was amended by paragraph 37 of Schedule 1 to, and paragraph 14 of Schedule 4 to, the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) and paragraph 31 of Schedule 9 to the Welfare Reform and Pensions (Northern Ireland) Order 1999
(**2**) S.I. 1999/3147 (N.I. 11)
(**3**) *See* Article 8(b) of S.R. 1999 No. 481
(**4**) 1954 c. 33 (N.I.)
(**5**) S.R. 1996 No. 619; relevant amending regulations are S.R. 1997 No. 160

""effective date" in regulation 8(4) and (4A) means the date as at which the assets and liabilities are valued;".

(3) In regulation 8 (further provisions as to calculation of cash equivalents and increases and reductions of cash equivalents (other than guaranteed cash equivalents)) for paragraph (4) there shall be substituted the following paragraphs –

"(4) Subject to paragraphs (4A) and (4B), where a scheme to which Article 56 (minimum funding requirement) applies had, at the effective date of the actuary's latest report to the trustees before the guarantee date in accordance with "Retirement Benefit Schemes – Transfer Values (GN 11)"(**6**) published by the Institute of Actuaries and the Faculty of Actuaries and current at the guarantee date, assets that were not sufficient to pay the full amount of the cash equivalent in respect of all members, the trustees may reduce each part of the cash equivalent as shown in that report by an amount that is no greater than the percentage by which the assets are shown in that report as being insufficient to pay the full amount of the corresponding part of the cash equivalent in respect of all members.

(4A) In the case of a scheme to which Article 56 applies which had, at the effective date of the latest actuarial valuation under Article 57 (valuation and certification of assets and liabilities) before the guarantee date, assets that were not sufficient to pay the minimum amount of the cash equivalent in respect of the liabilities referred to in Article 73(3) (preferential liabilities on winding up)(**7**), the trustees may reduce each part of the minimum amount of the cash equivalent, as calculated under regulation 7(3)(b)(iv)(**8**) by a percentage that is no greater than the percentage which is the difference between –

(a) 100 per cent., and

(b) the percentage of the liabilities mentioned in the sub-paragraph of Article 73(3) corresponding to that part which the actuarial valuation shows the scheme assets as being sufficient to satisfy.

(4B) The amount of any cash equivalent after the reduction mentioned in paragraph (4) shall not be less than the minimum amount required under regulation 7(3)(b)(iv) to satisfy the liabilities referred to in Article 73(3).".

Amendment of the Pensions on Divorce etc. (Provision of Information) Regulations

3. In regulation 4(2)(c) of the Pensions on Divorce etc. (Provision of Information) Regulations (Northern Ireland) 2000(**9**) (provision of information in response to a notification that a pension sharing order or provision may be made) after "regulation 8(4)," there shall be inserted "(4A), (4B),".

Amendment of the Pension Sharing (Valuation) Regulations

4.—(1) The Pension Sharing (Valuation) Regulations (Northern Ireland) 2000(**10**) shall be amended in accordance with paragraphs (2) and (3).

(2) In regulation 1(2) (interpretation) after the definition of "the Department" there shall be inserted the following definition –

""effective date" in regulation 5(3) and (3A) means the date as at which the assets and liabilities are valued;".

(**6**) Copies of the publication "Retirement Benefit Schemes – Transfer Values (GN 11)" may be obtained from the Faculty of Actuaries, Maclaurin House, 18 Dublin Street, Edinburgh EH1 3PP and the Institute of Actuaries, Staple Inn Hall, High Holborn, London WC1V 7QJ or downloaded from the website www.actuaries.org.uk

(**7**) Article 73(3) was amended by Article 35(1) of the Welfare Reform and Pensions (Northern Ireland) Order 1999 and modified by regulation 3 of S.R. 1996 No. 621 (as amended by regulation 9 of S.R. 1999 No. 486 and regulation 4 of S.R. 2000 No. 335)

(**8**) Regulation 7(3) was amended by S.R. 1997 No. 160

(**9**) S.R. 2000 No. 142; relevant amending regulations are S.R. 2000 No. 335

(**10**) S.R. 2000 No. 144; relevant amending regulations are S.R. 2000 No. 335

(3) In regulation 5 (occupational pension schemes: further provisions as to the calculation of cash equivalents and increases and reductions of cash equivalents) for paragraph (3) there shall be substituted the following paragraphs –

"(3) Subject to paragraphs (3A), (3B) and (6), where a scheme to which Article 56 applies had, at the effective date of the actuary's latest report to the trustees or managers before the valuation day in accordance with "Retirement Benefit Schemes – Transfer Values (GN 11)" published by the Institute of Actuaries and the Faculty of Actuaries and current at the valuation day, assets that were not sufficient to pay the full amount of the cash equivalent in respect of all members of the scheme, the trustees or managers may reduce each part of the cash equivalent as shown in that report by an amount that is no greater than the percentage by which the assets are shown in that report as being insufficient to pay the full amount of the corresponding part of the cash equivalent in respect of all members of the scheme.

(3A) Subject to paragraph (6), in the case of a scheme to which Article 56 applies which had, at the effective date of the latest actuarial valuation under Article 57 before the valuation day, assets that were not sufficient to pay the minimum amount of the cash equivalent in respect of the liabilities referred to in Article 73(3), the trustees or managers may reduce each part of the minimum amount of the cash equivalent, as calculated under regulation 4(3)(b)(iii)(**11**) by a percentage that is no greater than the percentage which is the difference between –

(a) 100 per cent., and

(b) the percentage of the liabilities mentioned in the sub-paragraph of Article 73(3) corresponding to that part which the actuarial valuation shows the scheme assets as being sufficient to satisfy.

(3B) The amount of any cash equivalent after the reduction mentioned in paragraph (3) shall not be less than the minimum amount required under regulation 4(3)(b)(iii) to satisfy the liabilities referred to in Article 73(3).".

Amendment of the Pension Sharing (Implementation and Discharge of Liability) Regulations

5.—(1) The Pension Sharing (Implementation and Discharge of Liability) Regulations (Northern Ireland) 2000(**12**) shall be amended in accordance with paragraphs (2) and (3).

(2) In regulation 1(2) (interpretation) after the definition of "base rate" there shall be inserted the following definition –

""effective date" in regulation 16(2) and (2A) means the date as at which the assets and liabilities are valued;".

(3) In regulation 16 (adjustments to amount of pension credit – occupational pension schemes which are underfunded on the valuation day) for paragraph (2) there shall be substituted the following paragraphs –

"(2) Subject to paragraphs (2A) and (2B), where a scheme to which Article 56 of the 1995 Order (minimum funding requirement) applies had, at the effective date of the actuary's latest report to the trustees or managers of the scheme before the valuation day in accordance with "Retirement Benefit Schemes – Transfer Values (GN 11)" published by the Institute of Actuaries and the Faculty of Actuaries and current at the valuation day, assets that were not sufficient to pay the full amount of the cash equivalent in respect of all members of the scheme, the lesser amount referred to in paragraph 8(1) of Schedule 5 may be determined for the purposes of that paragraph by reducing the amount of the pension credit which relates to

(**11**) Regulation 4 was amended by S.R. 2000 No. 335
(**12**) S.R. 2000 No. 145, to which there are amendments not relevant to these regulations