STATUTORY RULES OF NORTHERN IRELAND

2001 No. 138

PENSIONS

The Occupational Pension Schemes (Pensions Compensation Provisions) (Amendment) Regulations (Northern Ireland) 2001

Made - - - -	*29th March 2001*
Coming into operation	*23rd April 2001*

The Department for Social Development, in exercise of the powers conferred by Articles 56(3), 79(2A)(*a*), 81(2) and (3)(*a*), 82(2), 84, 116, 122(2) and 166(2) and (3) of the Pensions (Northern Ireland) Order 1995(**1**) and now vested in it(**2**), 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 (Pensions Compensation Provisions) (Amendment) Regulations (Northern Ireland) 2001 and shall come into operation on 23rd April 2001.

(2) In these Regulations—

"the principal Regulations" means the Occupational Pension Schemes (Pensions Compensation Provisions) Regulations (Northern Ireland) 1997(**3**).

Amendment of the principal Regulations

2.—(1) The principal Regulations shall be amended in accordance with paragraphs (2) to (5).

(2) After regulation 3 (relevant offences) there shall be inserted—

"**Protected liabilities — prescribed class of members**

3A. For the purposes of Article 79(2A)(*a*) (protected liabilities to include liabilities in respect of members of prescribed class) the prescribed class of members shall comprise those members who fall within the "switch-over period", as defined in regulation 7(10) of the

(**1**) S.I. 1995/3213 (N.I. 22); Article 79(2A)(*a*) was inserted by Article 16(2) of the Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147 (N.I. 11)); Article 81(3)(*a*) was amended by Article 16(4) of that Order; *see also* Article 79(7)

(**2**) *See* Article 8(*b*) of S.R. 1999 No. 481

(**3**) S.R. 1997 No. 141, amended by S.R. 1999 No. 233

Occupational Pension Schemes (Minimum Funding and Actuarial Valuations) Regulations (Northern Ireland) 1996(**4**).".

(3) In regulation 5 (amount of compensation)—

(a) in paragraph (3), there shall be omitted "90 per cent. of";

(b) in paragraph (5) for "90 per cent. of liabilities" there shall be substituted "the aggregate of the protected liabilities", and

(c) in paragraph (6) for sub-paragraph (*a*) there shall be substituted—

"(a) the prescribed rate of interest shall be the base rate plus 2 per cent.;".

(4) In regulation 6(5) (calculation of payments made in anticipation), for sub-paragraph (*d*) there shall be substituted—

"(d) so as not to exceed the aggregate of the protected liabilities.".

(5) In regulation 10 (modifications for money purchase schemes)—

(a) in paragraph (1)(*a*)—

(i) in head (i), in the modification to Article 79(1), there shall be omitted "90 per cent. of", and

(ii) for head (ii) there shall be substituted—

"(ii) in Article 81(3) for sub-paragraph (*b*) there were substituted the following sub-paragraph—

"(b) in the case of a money purchase scheme, must not exceed 90 per cent. of the difference between—

(i) the value of the assets of the scheme immediately before the reduction falling within Article 79(1)(*c*), and

(ii) their value immediately after that reduction,

as reported by the auditor, where that difference is adjusted so as to take account of subsequent alterations in their value (if any) which occur prior to the settlement date, including any alterations which would have occurred if that reduction had not taken place.";";

(b) in paragraph (1)(*b*)—

(i) for the words from "these Regulations" to "following paragraph—" there shall be substituted

"these Regulations shall have effect as if—

(i) in regulation 5 for paragraph (5) there were substituted—"

(ii) in the modification to regulation 5(5) of the principal regulations—

(aa) for "90 per cent. of their pre-loss value" there shall be substituted "the aggregate of the protected liabilities", and

(bb) for "T × 90% − V" there shall be substituted "(T − V) × 90%", and

(iii) at the end there shall be added—

"(ii) for sub-paragraph (*d*) of regulation 6(5) there were substituted—

(d) so as not to exceed 90 per cent. of the shortfall at the application date.";

(c) in paragraph (2)(*a*)—

(**4**) S.R. 1996 No. 570; regulation 7(10) was substituted by regulation 3(4)(*f*) of S.R. 2000 No. 335