STATUTORY RULES OF NORTHERN IRELAND

2000 No. 335

PENSIONS

The Pension Sharing (Consequential and Miscellaneous Amendments) Regulations (Northern Ireland) 2000

Made - - - -	*7th November 2000*
Coming into operation	*1st December 2000*

The Department for Social Development, in exercise of the powers conferred by sections 64B, 64D, 97D(4)(*b*), 97F(6)(*b*), 97I, 97L(1), 177(2) and (3) of the Pension Schemes (Northern Ireland) Act 1993(**1**), Article 73(7) of the Pensions (Northern Ireland) Order 1995(**2**) and Articles 21(1)(*a*) and (*d*), 27, 32(2)(*b*), 42(1), 73(3) and (4), and 74(2) of, and paragraphs 1(3)(*c*), 5(*b*) and 7(1)(*b*) and (2)(*b*) of Schedule 5 to, the Welfare Reform and Pensions (Northern Ireland) Order 1999(**3**), and now vested in it(**4**), and of all other powers enabling it in that behalf, hereby makes the following Regulations:

Citation and commencement

1.—(1) These Regulations may be cited as the Pension Sharing (Consequential and Miscellaneous Amendments) Regulations (Northern Ireland) 2000 and shall come into operation on 1st December 2000.

(2) The Interpretation Act (Northern Ireland) 1954(**5**) shall apply to these Regulations as it applies to an Act of the Assembly.

Amendment of the Personal Pension Schemes (Disclosure of Information) Regulations

2.—(1) The Personal Pension Schemes (Disclosure of Information) Regulations (Northern Ireland) 1987(**6**) shall be amended in accordance with paragraphs (2) to (5).

(2) In regulation 1(2) (interpretation)—

(**1**) 1993 c. 49; sections 64B and 64D are inserted by Article 33 of the Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147 (N.I. 11)). Sections 97D, 97F, 97I and 97L are inserted by Article 34 of that Order
(**2**) S.I. 1995/3213 (N.I. 22)
(**3**) S.I. 1999/3147 (N.I. 11)
(**4**) *See* Article 8(*b*) of S.R. 1999 No. 481
(**5**) 1954 c. 33 (N.I.)
(**6**) S.R. 1987 No. 288; relevant amending regulations are S.R. 1988 No. 107, S.R. 1992 No. 304, S.R. 1994 No. 300 and S.R. 1996 No. 95

(a) in the definition of "member" after "scheme" there shall be inserted "and includes a pension credit member";

(b) after the definition of "member" there shall be inserted—

""pension credit" means a credit under Article 26(1)(*b*) of the Welfare Reform and Pensions (Northern Ireland) Order 1999;";

""pension credit member" means a person who has rights under the scheme which are attributable (directly or indirectly) to a pension credit;";

(c) after the definition of "pensionable age"(**7**) there shall be inserted—

""safeguarded rights" means those rights referred to in section 64A of the Act(**8**);".

(3) In regulation 5 (information to be made available to individuals)—

(a) in paragraph (3)(**9**) after "protected rights" there shall be inserted "or no safeguarded rights";

(b) in paragraph (4)(**10**)—

(i) after "members have protected rights" there shall be inserted "or safeguarded rights";

(ii) in sub-paragraph (*b*) after "protected rights" there shall be inserted "or safeguarded rights".

(4) In Schedule 1 (basic information about the scheme)—

(a) in paragraph 12 after "protected rights" there shall be inserted "or safeguarded rights";

(b) in paragraph 13 after "protected rights" there shall be inserted "or safeguarded rights".

(5) In Schedule 2 (information to be made available to individuals)—

(a) in paragraph 4 after "protected rights" there shall be inserted "or safeguarded rights";

(b) in paragraph 11 after "protected rights" there shall be inserted "or safeguarded rights".

Amendment of the Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations

3.—(1) The Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations (Northern Ireland) 1996(**11**) shall be amended in accordance with paragraphs (2) to (5).

(2) In regulation 2(1) (interpretation) after the definition of "minimum funding valuation" there shall be inserted—

""normal benefit age" has the meaning given by section 97B of the Pension Schemes Act(**12**);

"pension credit benefit" has the meaning given by section 97B of the Pension Schemes Act;

"pension credit benefit member", in relation to an occupational pension scheme, means a person who has become entitled, by virtue of having pension credit rights which have come into payment, to the present payment of pension or other benefits;

"pension credit member" has the meaning given by Article 121(1)(**13**);

(**7**) The definition of "pensionable age" was inserted by regulation 3(2) of S.R. 1996 No. 95
(**8**) Section 64A is inserted by Article 33 of the Welfare Reform and Pensions (Northern Ireland) Order 1999. *See also* paragraph 13(2)(*a*) of Schedule 2 to S.R. 1994 No. 300 which inserted the definition of "the Act"
(**9**) Paragraph (3) was amended by regulation 6(*c*) of S.R. 1988 No. 107 and regulation 20(*b*) of S.R. 1992 No. 304
(**10**) Paragraph (4) was amended by regulation 3(3) of S.R. 1996 No. 95
(**11**) S.R. 1996 No. 570; relevant amending regulations are S.R. 1997 No. 160
(**12**) Section 97B is inserted by Article 34 of the Welfare Reform and Pensions (Northern Ireland) Order 1999
(**13**) The definitions of " pension credit member" and "pension credit rights" are inserted by paragraph 50(3) of Schedule 9 to the Welfare Reform and Pensions (Northern Ireland) Order 1999

"pension credit rights" has the meaning given by Article 121(1)(**13**);".

(3) In regulation 3 (determination, valuation and verification of assets and liabilities: general)—

(a) in paragraph (2)(*c*)(i) after "pensioner members" there shall be inserted "or pension credit benefit members";

(b) in paragraph (2)(*c*)(ii)—

(i) for "and deferred members" there shall be substituted ", deferred members and pension credit members", and

(ii) after "accrued rights" there shall be inserted "and any pension credit rights";

(c) in paragraph (3) after "accrued rights" there shall be inserted "and any pension credit rights".

(4) In regulation 7(**14**) (determination and valuation of liabilities)—

(a) in paragraph (3) after "pensioner members" there shall be inserted ", or who are pension credit benefit members,";

(b) in paragraph (4) after "pensioner members" in both places where it appears, there shall be inserted "or pension credit benefit members";

(c) in paragraph (5)(*b*) after "pensioner members" there shall be inserted "or pension credit benefit members";

(d) in paragraph (7) after "pensioner members" there shall be inserted ", or who are not pension credit benefit members,";

(e) in paragraph (8)—

(i) after "deferred members" where it first appears, there shall be inserted "or pension credit members";

(ii) before "on the relevant date" there shall be inserted ", or who are pension credit members,";

(f) for paragraphs (9) and (10) there shall be substituted—

"(9) For the purposes of this regulation, a scheme is only to be taken to have a gilts-matching policy for liabilities in respect of pensioner members, pension credit benefit members, deferred members or pension credit members at any time if the last statement in respect of the scheme under Article 35 before that time states that the trustees' policy is to meet all liabilities in respect of pensioner members, pension credit benefit members or, as the case may be, deferred members or pension credit members from investments in gilt-edged securities.

(10) In this regulation "the switch-over period", in relation to a member, means the period of 10 years ending with the age at which the member —

(a) will first become entitled under the provisions of the scheme to receive a full pension on retirement of an amount determined without a reduction to take account of its payment before a later age (but disregarding any entitlement to pension on retirement in the event of illness, incapacity or redundancy), or

(b) will reach normal benefit age.".

(5) In regulation 8 (further provisions as to valuation: methodology, assumptions, etc.), in paragraph (2)(*a*)(i) after "pensioner members" there shall be inserted ", or who are pension credit benefit members,".

(**13**) The definitions of " pension credit member" and "pension credit rights" are inserted by paragraph 50(3) of Schedule 9 to the Welfare Reform and Pensions (Northern Ireland) Order 1999

(**14**) Regulation 7 was amended by paragraph 7(3) of the Schedule to S.R. 1997 No. 160

Amendment of the Occupational Pension Schemes (Winding Up) Regulations

4.—(1) The Occupational Pension Schemes (Winding Up) Regulations (Northern Ireland) 1996(**15**) shall be amended in accordance with paragraphs (2) to (4).

(2) In regulation 1(3) (interpretation), after the definition of "the Order" there shall be inserted—

""pension credit" means a credit under Article 26(1)(*b*) of the Welfare Reform and Pensions (Northern Ireland) Order 1999;

"transfer credits" has the meaning given by regulation 1(2) of the Pension Sharing (Pension Credit Benefit) Regulations (Northern Ireland) 2000(**16**) (interpretation).".

(3) In regulation 3 (modification of Article 73(3)(**17**)), for paragraph (5) there shall be substituted —

"(5) For Article 73(3)(*c*) and (*d*) there shall be substituted —

"(c) any liability —

(i) for equivalent pension benefits (within the meaning of section 56(1) of the National Insurance Act (Northern Ireland) 1966(**18**)), guaranteed minimum pensions, protected rights, section 5(2B) rights (within the meaning of regulation 1(2) of the Contracting-out (Transfer and Transfer Payment) Regulations (Northern Ireland) 1996(**19**), or safeguarded rights (within the meaning of section 64A(1) of the Act) (but excluding increases to pensions), or

(ii) in respect of members with less than 2 years' pensionable service who are not entitled to accrued rights under the scheme, for the return of contributions,

(d) any liability for increases to pensions referred to in sub-paragraphs (*aa*) and (*b*)(**20**),

(e) any liability for increases to pensions referred to in sub-paragraph (*c*),

(f) so far as not included in sub-paragraph (*c*) or (*e*), any liability for—

(i) pensions or other benefits which have accrued to or in respect of any members of the scheme (including increases to pensions), or

(ii) future pensions, or other future benefits, attributable (directly or indirectly) to pension credits (including increases to pensions).".".

(4) In regulation 8 (requirements to be satisfied by transferee schemes, annuities, etc.), for paragraphs (1) to (3) there shall be substituted—

"(1) For the purpose of Article 74(3)(*a*) (discharge of liability to or in respect of a member by the acquisition of transfer credits under another occupational pension scheme), the requirements to be satisfied by the other occupational pension scheme are the same as those which would apply by virtue of—

(a) section 91(2)(*a*) of the Act (ways of taking right to cash equivalent) if—

(**15**) S.R. 1996 No. 621, to which there are amendments not relevant to these regulations
(**16**) S.R. 2000 No. 146
(**17**) Article 73(3) was amended by Article 35(1) of the Welfare Reform and Pensions (Northern Ireland) Order 1999
(**18**) 1966 c. 6 (N.I.); section 56 was repealed by the Social Security Act 1973 (c. 38) but continued in force by regulation 3 of, and Schedule 1 to, S.R. 1975 No. 48
(**19**) S.R. 1996 No. 618; the definition of "section 5(2B) rights" was amended by paragraph 10(2)(*b*) of the Schedule to S.R. 1997 No. 160 and regulation 8 of S.R. 1999 No. 486
(**20**) Sub-paragraph (*aa*) was inserted by regulation 3(3) of S.R. 1996 No. 621

(i) the member were entitled to a cash equivalent under Chapter IV of Part IV of the Act in respect of the rights liability in respect of which is being discharged, and

(ii) he required his cash equivalent to be used to acquire transfer credits allowed under the rules of the scheme, or

(b) section 97F(2)(*a*) of the Act (power to give transfer notice).

(2) For the purpose of Article 74(3)(*b*)(**21**) (discharge of liability to or in respect of a member by the acquisition of rights under a personal pension scheme), the requirements to be satisfied by the personal pension scheme are the same as those which would apply by virtue of —

(a) section 91(2)(*b*) of the Act if the member were so entitled and he required his cash equivalent to be used to acquire rights allowed under the rules of the scheme; or

(b) section 97F(2)(*a*) of the Act.

(3) For the purpose of Article 74(3)(*c*) (discharge of liability to or in respect of a member by the purchase of one or more annuities) the requirements to be satisfied by the annuities are the same as those which would apply by virtue of—

(a) section 91(2)(*c*) of the Act if the member were so entitled and he required his cash equivalent to be used to purchase annuities from such insurance companies as are mentioned in that section, or

(b) section 97F(2)(*b*) of the Act, other than the requirement that an insurance company must be chosen by the member.".

Amendment of the Occupational Pension Schemes (Disclosure of Information) Regulations

5.—(1) The Occupational Pension Schemes (Disclosure of Information) Regulations (Northern Ireland) 1997(**22**) shall be amended in accordance with paragraphs (2) to (5).

(2) In regulation 1(2) (interpretation)—

(a) in the definition of "excluded person" after "member" there shall be inserted "or pension credit member";

(b) after the definition of "money purchase scheme" there shall be inserted—

""normal benefit age" has the meaning given by section 97B;";

(c) after the definition of "the Order" there shall be inserted—

""pension credit" means a credit under Article 26(1)(*b*) of the Welfare Reform and Pensions (Northern Ireland) Order 1999;

"pension credit member" has the meaning given by Article 121(1);".

(3) In regulation 5 (information to be made available to individuals)—

(a) in paragraph (4) for "or deferred member" there shall substituted "member, deferred member or pension credit member";

(b) in paragraph (5)(**23**) for "paragraphs 5 and 6" there shall be substituted ", paragraphs 5, 6 and 6AA";

(c) after paragraph (6) there shall be inserted—

(**21**) Article 74(3)(*b*) is amended by paragraph 45 of Schedule 9 to the Welfare Reform and Pensions (Northern Ireland) Order 1999
(**22**) S.R. 1997 No. 98, relevant amending regulations are S.R. 1997 No. 160 and S.R. 1999 No. 486
(**23**) Paragraph (5) was amended by regulation 13(2) of S.R. 1999 No. 486 and regulation 31(4)(*a*) of S.R. 2000 No. 262