1987 No. 296

SOCIAL SECURITY

The Protected Rights (Transfer Payment) Regulations (Northern Ireland) 1987

Made	*10th July 1987*
Coming into operation—	
for the purposes of all of the regulations to the extent that they relate to personal pension schemes	*27th July 1987*
for all other purposes	*6th April 1988*

The Department of Health and Social Services, in exercise of the powers conferred on it by Articles 4 and 18(1)(*b*) of, and paragraph 9(1)(*b*) of Schedule 1 to, the Social Security (Northern Ireland) Order 1986(**a**) 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 Protected Rights (Transfer Payment) Regulations (Northern Ireland) 1987 and shall come into operation—

(*a*) for all purposes in relation to personal pension schemes on 27th July 1987; and

(*b*) for all other purposes on 6th April 1988.

(2) In these regulations—

"the Order" means the Social Security (Northern Ireland) Order 1986;

"the Abatement of Benefit Regulations" means the Personal and Occupational Pension Schemes (Abatement of Benefit) Regulations (Northern Ireland) 1987(**b**);

"appropriate personal pension scheme" shall be construed in accordance with Part II of the Order;

"the Board" means the Occupational Pensions Board;

"Article 50 money purchase scheme" means a scheme, which was formerly a money purchase contracted-out scheme, and which the Board are under a duty to supervise in accordance with Article 50(**c**);

(**a**) S.I. 1986/1888 (N.I. 18)
(**b**) S.R. 1987 No. 291
(**c**) Article 50 is extended by Article 11(6) of, and amended by paragraph 10 of Schedule 2 to, paragraph 15 of Schedule 9 to, and Schedule 10 to, the Social Security (Northern Ireland) Order 1986

"Article 50 salary related scheme" means a scheme, which was formerly a salary related contracted-out scheme, and which the Board are under a duty to supervise in accordance with Article 50;

"money purchase contracted-out scheme" and "occupational pension scheme" have the meaning given to those expressions by Article 2(2)(**a**);

"overseas scheme" means an occupational pension scheme which is neither one contracted-out by virtue of Article 34(**b**) nor one which the Board is under a duty to supervise in accordance with Article 50, and which is administered wholly or primarily outside the United Kingdom;

"paying scheme" means a scheme which is, or was formerly—

(*a*) an appropriate personal pension scheme; or

(*b*) a money purchase contracted-out scheme,

and which gives effect to the protected rights of a member of it by making a transfer payment in respect of those rights;

"protected rights" has the meaning given to that expression by Schedule 1 to the Order, or where the rights are under a money purchase contracted-out scheme, or an Article 50 money purchase scheme, that Schedule as modified by Article 34(2B)(**b**);

"receiving scheme" means a scheme to which a transfer payment is, or is to be, made;

"salary related contracted-out scheme" means an occupational pension scheme which is contracted-out by virtue of Article 34(2)(**b**);

"scheme" means occupational pension scheme or personal pension scheme.

(3) Any reference in these regulations to a numbered Article is a reference to the Article of the Pensions Order bearing that number.

Transfer payments giving effect to protected rights

2.—(1) Subject to regulation 3, a paying scheme may give effect to the protected rights of a member by the making of a transfer payment—

(*a*) to an appropriate personal pension scheme; or

(*b*) to an occupational pension scheme,

in the circumstances and subject to the conditions mentioned in paragraphs (2) to (7), and in these regulations a "transfer payment" means a transfer payment such as is described in this paragraph.

(2) A transfer payment may be made to an appropriate personal pension scheme in the circumstances described in paragraph 1 of Schedule 1, and on the condition specified in paragraph 1 of Schedule 2.

(**a**) The definition of "money purchase contracted-out scheme" is inserted by paragraph 2(*b*) of Schedule 2 to the Social Security (Northern Ireland) Order 1986

(**b**) Article 34 is amended by paragraph 13 of Schedule 4 to the Social Security (Northern Ireland) Order 1982 (S.I. 1982/1084 (N.I. 16)), paragraph 6 of Schedule 2 to, and paragraph 7 of Schedule 9 to, the Social Security (Northern Ireland) Order 1986. *See also* Article 11(4)(*b*) of the Social Security (Northern Ireland) Order 1986

(3) A transfer payment may be made to a money purchase contracted-out scheme in the circumstances described in paragraphs 1 and 2 of Schedule 1, and on the condition specified in paragraph 1 of Schedule 2.

(4) A transfer payment may be made to an Article 50 money purchase scheme in the circumstances described in paragraphs 1 and 3 of Schedule 1, and on the conditions specified in paragraphs 1 and 2 of Schedule 2.

(5) A transfer payment may be made to a salary related contracted-out scheme in the circumstances described in paragraphs 1, 2 and 5 of Schedule 1, and on the condition specified in paragraph 1 of Schedule 2.

(6) A transfer payment may be made to an Article 50 salary related scheme in the circumstances described in paragraphs 1, 3 and 5 of Schedule 1, and on the conditions specified in paragraphs 1 and 2 of Schedule 2.

(7) A transfer payment may be made to an overseas scheme in the circumstances described in paragraphs 1 and 4 of Schedule 1, and on the conditions specified in paragraphs 1 and 2 of Schedule 2.

(8) References in Schedules 1 to 3 to ''the member'' are references to a member referred to in paragraph (1).

Requirements to be satisfied by receiving scheme

3. A transfer payment may be made by a paying scheme to—

(*a*) an appropriate personal pension scheme, a money purchase contracted-out scheme or an Article 50 money purchase scheme, where that scheme satisfies the requirement specified in paragraph 1 of Schedule 3; or

(*b*) a salary related contracted-out scheme or an Article 50 salary related scheme, where that scheme satisfies the requirement specified in paragraph 2 of Schedule 3.

Modifications of Part IV of the Pensions Order where transfer payments are made to salary related contracted-out schemes or Article 50 salary related schemes

4.—(1) Where a transfer payment has been paid by a paying scheme to a salary related contracted-out scheme or to an Article 50 salary related scheme in accordance with regulations 2 and 3, Part IV of the Pensions Order shall have effect as modified by paragraphs (2) to (9).

(2) Article 28(2)(**a**) shall have effect as if—

(*a*) after ''Articles 35 and 38'' there were inserted ''or in compliance with the requirement set out in paragraph 2 of Schedule 3 to the Protected Rights (Transfer Payment) Regulations (Northern Ireland) 1987''; and

(*b*) at the end there were added ''or, as the case may be, of that requirement''.

(3) Article 31(2)(**b**) shall have effect as if there were inserted after the words added by paragraph 5(*b*)(ii) of Schedule 9 to the Order, '', unless he is

(**a**) Article 28(2) was amended by paragraph 3(*b*) of Schedule 9 to the Social Security (Northern Ireland) Order 1986. *See also* Article 11(4)(*a*) of that Order

(**b**) Article 31(2) was amended by paragraph 5(*b*) of Schedule 9 to the Social Security (Northern Ireland) Order 1986

entitled to that guaranteed minimum pension by reason of paragraph 2 of Schedule 3 to the Protected Rights (Transfer Payment) Regulations (Northern Ireland) 1987''.

(4) Article 37(1) shall have effect as if—

(*a*) after ''guaranteed minimum'' there were inserted ''both''; and

(*b*) at the end there were added ''and in relation to any pension provided by a scheme in compliance with the requirement set out in paragraph 2 of Schedule 3 to the Protected Rights (Transfer Payment) Regulations (Northern Ireland) 1987, (guaranteed minimum pension to be paid by a scheme by reason of receiving a transfer payment)''.

(5) In a case to which regulation 2(1) of the Abatement of Benefit Regulations applies, Article 37(5)(**a**) shall have effect as if any earnings factor to which regulation 2(2)(*b*) of those regulations applies were, before being increased as mentioned in Article 37(5), equal to the amount mentioned in regulation 2(2)(*b*) of them.

(6) Article 37(7)(**b**) shall have effect—

(*a*) if the scheme from which the transfer payment was made was a personal pension scheme—

(i) in respect only of each relevant year after the year in which minimum contributions, within the meaning given to that expression by Article 3 of the Order, were last payable, and

(ii) in a case to which regulation 2(1) of the Abatement of Benefit Regulations applies, as if any earnings factor to which regulation 2(2)(*b*) of those regulations applies were, before being increased as mentioned in Article 37(7), equal to the amount mentioned in regulation 2(2)(*b*) of them; or

(*b*) if the scheme from which the transfer payment was made was a money purchase contracted-out scheme or an Article 50 money purchase scheme, in respect only of each relevant year after the year in which contracted-out employment by reference to that scheme terminated.

(7) Article 37(8)(**c**) shall have effect as if there were added at the end '', so however that separate provision may be made for members as regards any guaranteed minimum pensions which have accrued to them by reason of paragraph 2 of Schedule 3 to the Protected Rights (Transfer Payment) Regulations (Northern Ireland) 1987''.

(8) In a case to which regulation 2(1) of the Abatement of Benefit Regulations applies—

(*a*) Article 46(6)(*a*)(**d**) shall have effect as if any earnings factor to which regulation 2(2)(*b*) of those regulations applies were, before being

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(**a**) Article 37(5) was amended by paragraph 19(*a*) of Schedule 3 to the Social Security (Northern Ireland) Order 1979 (S.I. 1979/396 (N.I. 5))

(**b**) Article 37(7) was amended by paragraph 19(b) of Schedule 3 to the Social Security (Northern Ireland) Order 1979 and paragraph 2(1) of Schedule 3 to the Social Security (Northern Ireland) Order 1985 (S.I. 1985/1209 (N.I. 16))

(**c**) Article 37(8) was amended by paragraph 8(*a*) of Schedule 3 to the Social Security (Northern Ireland) Order 1985

(**d**) Article 46(6) was substituted by Article 4(7) of the Social Security (Northern Ireland) Order 1980 (S.I. 1980/870 (N.I. 8)) and amended by paragraph 4 of Schedule 3 to the Social Security (Northern Ireland) Order 1985