1987 No. 289

SOCIAL SECURITY

The Personal Pension Schemes (Personal Pension Protected Rights Premiums) Regulations (Northern Ireland) 1987

Made	*10th July 1987*
Coming into operation . .	*4th January 1988*

The Department of Health and Social Services, in exercise of the powers conferred on it by Article 53 of, and paragraph 6 of Schedule 2 to, the Social Security Pensions (Northern Ireland) Order 1975(**a**) and Article 7(4), (7), (8), (10) and (14) of the Social Security (Northern Ireland) Order 1986(**b**) 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 Personal Pension Schemes (Personal Pension Protected Rights Premiums) Regulations (Northern Ireland) 1987 and shall come into operation on 4th January 1988.

(2) In these regulations—

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

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

"the Board" means the Occupational Pensions Board;

"child benefit" has the same meaning as in the Child Benefit (Northern Ireland) Order 1975(**c**);

"pensionable age" means, in the case of a man, 65, and in the case of a woman, 60;

"premium" means personal pension protected rights premium;

"scheme" means personal pension scheme;

"trustees", in relation to a scheme which is not set up or established under a trust, means the managers of the scheme;

and other expressions have the same meaning as in the Order.

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

(a) S.I. 1975/1503 (N.I. 15); paragraph 6 of Schedule 2 was amended by Article 4(11) of the Social Security (Northern Ireland) Order 1980 (S.I. 1980/870 (N.I. 8)) and is modified in relation to personal pension schemes by regulation 2(11) of, and Schedule 5 to, the Personal and Occupational Pension Schemes (Modification of Enactments) Regulations (Northern Ireland) 1987 (S.R. 1987 No. 294)

(b) S.I. 1986/1888 (N.I. 18)

(c) S.I. 1975/1504 (N.I. 16)

Manner of calculation and verification of cash equivalents mentioned in Article 7(8) and (10)(a)(i)

2.—(1) Except in a case to which paragraph (3) applies, the cash equivalent mentioned in Article 7(8) of protected rights (being those rights under a scheme, which has ceased to be an appropriate scheme, whose cash equivalent is to be the amount of a personal pension protected rights premium) shall be calculated and verified—

(*a*) in such manner as may be approved in particular cases by the trustees of the scheme; and

(*b*) by adopting methods consistent with the requirements of Schedule 1.

(2) Except in a case to which paragraph (3) applies, the cash equivalent mentioned in Article 7(10)(*a*)(i) of a person's rights (being those rights under a scheme, which has ceased to be an appropriate scheme, whose cash equivalent is to be used to supplement a personal pension protected rights premium) shall be calculated and verified in such manner as may be approved in particular cases by the trustees of the scheme.

(3) In a case where the rights under a scheme mentioned in paragraph (1) or (2) fall, either wholly or in part, to be valued in a manner which involves making estimates of the value of benefits, the cash equivalent of those rights shall be calculated and verified—

(*a*) in such manner as may be approved in particular cases by—

(i) a Fellow of the Institute of Actuaries,

(ii) a Fellow of the Faculty of Actuaries, or

(iii) a person with other actuarial qualifications who is approved by the Department, at the request of the trustees of the scheme in question, as being a proper person to act for the purposes of these regulations in connection with that scheme,

and in this regulation "actuary" means any person such as is referred to in head (i), (ii) or (iii); and

(*b*) by adopting methods and making assumptions which—

(i) if not determined by the trustees of the scheme in question, are notified to them by an actuary, and

(ii) are certified by an actuary to the trustees of the scheme as being consistent with "Retirement Benefit Schemes — Transfer Values (GN11)" published by the Institute of Actuaries and the Faculty of Actuaries and current at the date of the calculation, and, in the case of protected rights, as being consistent with the requirements of Schedule 1.

Circumstances in which a premium is not payable

3.—(1) A premium shall not be payable—

(*a*) in a case where the protected rights in question are in respect of an earner who has died and either—

(i) the earner is not survived by a qualifying widow or widower, or

(ii) the earner is survived by a qualifying widower and the earner or the widower or both were under pensionable age when the earner died; or

(*b*) in a case where the person in respect of whom it otherwise would be payable is not treated under Article 6, or under Article 31(2) or (2A) of the Pensions Order(**a**), as entitled to any guaranteed minimum pension which derives from the minimum contributions, minimum payments, or transfer payment or payments from which the protected rights in question derive, or is treated as entitled to such a guaranteed minimum pension at a nil rate.

(2) In paragraph (1)(*a*), "qualifying widow or widower" means a widow or widower of the earner who at the date of the earner's death either—

(*a*) is aged 45 or over; or

(*b*) is entitled to child benefit in respect of a child under 18 who is, or residing with a child under 16 who is—

(i) a son or daughter of the widow or widower and the earner,

(ii) a child in respect of whom the earner immediately before his death was, or would have been if the child had not been absent from Northern Ireland, entitled to child benefit, or

(iii) if the widow or widower and the earner were residing together immediately before the earner's death, a child in respect of whom the widow or widower then was, or would have been if the child had not been absent from Northern Ireland, entitled to child benefit.

Liability for payment of a premium

4.—(1) For the purposes of Article 7(7) (liability to pay a premium to the Department) the prescribed person is—

(*a*) in a case where the circumstances specified in regulation 6(7)(*a*) and (*c*) obtain, the person to whom the cash sum mentioned in regulation 6(7)(*c*) has been paid; and

(*b*) in any other case, the trustees of the scheme.

(2) Where an appropriate scheme ceases to be appropriate, the Board shall certify to the Department whether or not protected rights under the scheme are subject to approved arrangements as mentioned in Article 7.

(3) Where protected rights which were subject to approved arrangements as mentioned in Article 7 have ceased to be so subject, the Board shall certify to the Department the date on which those rights ceased to be so subject.

(4) Any liability for the payment of a premium which is, by any provision of these regulations, imposed on the trustees of a scheme shall be a liability to make that payment out of the resources of the scheme.

Time for payment of a premium

5.—(1) Subject to paragraph (3), any premium which is payable shall be paid on or before whichever is the later of the following days—

(*a*) the day 6 months after the day on which the Board certify under regulation 4(2) or (3) that the protected rights in question are not subject to approved arrangements or have ceased to be so subject; and

(**a**) Article 31(2) is amended by paragraph 5(*b*) of Schedule 9 to the Social Security (Northern Ireland) Order 1986 and Article 31(2A) is inserted by paragraph 4 of Schedule 2 to that Order

(*b*) the day one month after the day on which the Department sends to the person liable to pay the premium a notice certifying that the premium is payable.

(2) Subject to paragraph (3), in cases where a premium has become payable by reason of the fact that a scheme has ceased to be appropriate and an earner's protected rights are, in part only, subject to approved arrangements under Article 7, the premium shall be paid on or before whichever is the later of the following days—

(*a*) the day 6 months after the day on which the Board certify under regulation 4(2) or (3) that the protected rights in question are, in part only, subject to approved arrangements; and

(*b*) the day one month after the day on which the Department sends to the person liable to pay the premium a notice certifying that the premium is payable.

(3) On application made to it for that purpose the Department may, in any particular case or class of case, extend the period within which, under paragraph (1) or (2), a premium is required to be paid—

(*a*) by up to 6 months if it is satisfied that the circumstances are such that payment of the premium could not reasonably be required to be made within that period; and

(*b*) by such further period as it considers reasonable if it is satisfied that to require earlier payment of the premium would be prejudicial to the interests of the person in respect of whom the premium is payable or of the generality of members of the scheme.

Miscellaneous provisions affecting premiums

6.—(1) Subject to paragraphs (3) and (4), where a premium is payable pursuant to certification by the Board to the Department under regulation 4(2) or (3) the premium shall, for the purpose of extinguishing protected rights and reducing any guaranteed minimum pension to which a person is treated as being entitled, be treated as having been paid, or paid in part in a case to which either paragraphs (6) to (8) apply or paragraph (9) applies, on the date specified in paragraph (2).

(2) The date mentioned in paragraph (1) is whichever is the later of—

(*a*) the date on which the scheme ceased to be appropriate; and

(*b*) any date certified by the Board under regulation 4(3) in relation to the rights mentioned in paragraph (1).

(3) Where a premium has been treated as paid under paragraph (1), the effect of that paragraph shall, except as provided in paragraph (5), be disregarded if—

(*a*) the Board subsequently approve arrangements for the preservation or transfer of the protected rights; or

(*b*) the person who is liable to pay the premium fails to do so within the period prescribed by regulation 5(1) or (2), or such longer period as the Department may allow under regulation 5(3).

(4) Where by virtue of the operation of paragraphs (1) and (3) in relation to a person entitled to a benefit specified in Article 31(1)(*a*) of the Pensions