1987 No. 281

SOCIAL SECURITY

The Occupational Pension Schemes (Contracted-out Protected Rights Premiums) Regulations (Northern Ireland) 1987

Made	*10th July 1987*
Coming into operation . .	*6th April 1988*

The Department of Health and Social Services, in exercise of the powers conferred on it by Articles 46ZA (4), (6), (7), (9) and (13) and 53 of, and paragraph 6 of Schedule 2 to, the Social Security Pensions (Northern Ireland) Order 1975(**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 Occupational Pension Schemes (Contracted-out Protected Rights Premiums) Regulations (Northern Ireland) 1987 and shall come into operation on 6th April 1988.

(2) In these regulations—

"the Pensions Order" means the Social Security Pensions (Northern Ireland) Order 1975;

"the principal regulations" means the Occupational Pension Schemes (Contracting-out) Regulations (Northern Ireland) 1985(**b**).

Manner of calculation and verification of cash equivalents mentioned in Article 46ZA(7) and (9)(a)(i) *of the Pensions Order*

2.—(1) Except in a case to which paragraph (3) applies, the cash equivalent mentioned in Article 46ZA(7) of the Pensions Order of protected rights (being those rights under a scheme, which has ceased to be a money purchase contracted-out scheme, whose cash equivalent is to be the amount of a contracted-out protected rights premium) shall be calculated and verified—

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

(**a**) S.I. 1975/1503 (N.I. 15); Article 46ZA is inserted by paragraph 8 of Schedule 2 to the Social Security (Northern Ireland) Order 1986 (S.I. 1986/1888 (N.I. 18)); 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 by regulation 3(5) of the Personal and Occupational Pension Schemes (Modification of Enactments) Regulations (Northern Ireland) 1987 (S.R. 1987 No. 294)

(**b**) S.R. 1985 No. 259; the relevant amending regulations are S.R. 1985 No. 355

(*b*) by adopting methods consistent with the requirements of Schedule 1 to the Social Security (Northern Ireland) Order 1986(**a**) as modified by Article 34(2B) of the Pensions Order(**b**).

(2) Except in a case to which paragraph (3) applies, the cash equivalent mentioned in Article 46ZA(9)(*a*)(i) of the Pensions Order of a person's rights (being those rights under a scheme, which has ceased to be a money purchase contracted-out scheme, whose cash equivalent is to be used to supplement a contracted-out protected rights premium) shall be calculated and verified in such manner as may be approved in particular cases by the trustees or managers 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 or managers 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 or managers of the scheme in question, are notified to them by an actuary, and

(ii) are certified by an actuary to the trustees or managers 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 to the Social Security (Northern Ireland) Order 1986 as modified by Article 34(2B) of the Pensions Order.

Amendment of regulation 1 of the principal regulations

3. In regulation 1(2) of the principal regulations (interpretation) immediately after the definition of "employer" there shall be inserted the following definition—

" "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—

(**a**) S.I. 1986/1888 (N.I. 18)

(**b**) Article 34(2B) is inserted by paragraph 6(*b*) of Schedule 2 to the Social Security (Northern Ireland) Order 1986

(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;''.

Amendment of regulation 17 of the principal regulations

4.—(1) Regulation 17 of the principal regulations (liability for payment of state scheme premiums) shall be amended in accordance with paragraphs (2) and (3).

(2) After paragraph (1) there shall be inserted the following paragraph—

''(1ZA) For the purposes of Article 46ZA(6) (payment of contracted-out protected rights premiums) the prescribed person is—

(*a*) in a case where regulation 22A(7)(*a*) and (*c*) applies, the person to whom the cash sum mentioned in regulation 22A(7)(*c*) has been paid; and

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

(3) After paragraph (2) there shall be inserted the following paragraph—

''(2A) A contracted-out protected rights 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 of the Social Security (Northern Ireland) Order 1986 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.''.

Amendment of regulation 19 of the principal regulations

5.—(1) Regulation 19 of the principal regulations (time for payment of state scheme premiums) shall be amended in accordance with paragraphs (2) to (4).

(**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