

These notes refer to the Pensions (No. 2) Act (Northern Ireland) 2008 (c.13) which received Royal Assent on 15 December 2008

Pensions (No. 2) Act (Northern Ireland) 2008

EXPLANATORY NOTES

OVERVIEW

12. The Act has six parts:
- Part 1 sets out the new duties on employers to automatically enrol eligible jobholders into a qualifying pension scheme and to contribute to those arrangements. It also makes provision for a regime to ensure compliance and for the protection of employment rights. There are also provisions to broaden the functions of the Personal Accounts Delivery Authority to enable it to take forward the implementation work necessary to establish the Personal Accounts scheme. The duty on employers to make a stakeholder pension available to employees is removed;
 - Part 2 contains measures to simplify and amend existing private and State pensions legislation. It reduces burdens relating to private pension schemes by simplifying the treatment of contracted-out rights for the purposes of pension sharing on divorce etc. and by establishing new rules for the revaluation of accrued rights. A new method of assessing certain components of the State Pension is introduced to provide a single consolidated Additional Pension. The State Pension Credit assessed income period is extended for persons aged 75 and over;
 - Part 3 makes provision for compensation paid by the Pension Protection Fund to be shared on divorce etc. Changes are also made to the compensation provisions of the Pension Protection Fund to improve the Fund's operation;
 - Part 4 brings forward the introduction of the Upper Accrual Point, which replaces the Upper Earnings Limit as the weekly upper cap on earnings for determining entitlement to the State Second Pension, from 2012 to April 2009 and sets it at £770 per week;
 - Part 5 contains a number of miscellaneous provisions. The powers of the Pensions Regulator are strengthened to ensure that they offer sufficient protection to scheme members and the Pension Protection Fund. The Regulator's power to delegate certain functions is widened to provide greater flexibility. Provision is made for the charge of a prescribed rate of interest on late payments to the Pension Protection Levy, the Fraud

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Compensation levy, the Pension Protection Fund Administration Levy, the Pension Protection Fund Ombudsman Levy and the General levy used to fund the Pensions Regulator and the Pensions Ombudsman;

- Part 6 contains technical provisions.