

*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

COMMENTARY ON SECTIONS

PART 5 - Miscellaneous

Section 105: Payments to employers

This section amends Article 37 of the Pensions (Northern Ireland) Order 1995, which imposes conditions which must be satisfied before trustees can authorise a payment to the sponsoring employer from the funds of a trust-based occupational pension scheme. Article 37 was amended by the Pensions (Northern Ireland) Order 2005, but that amendment inadvertently did not carry forward an exemption from the strict conditions of Article 37 which previously existed for certain administrative and other payments.

Article 37 is primarily intended to ensure that funds cannot be removed from a defined benefit scheme unless it is sufficiently well funded, and the trustees are satisfied that a payment is in the interests of the scheme's members. The exemption introduced by this section broadly replicates the payments which were previously exempt from Article 37 before it was revised by the Pensions (Northern Ireland) Order 2005. The exemption covers payments which are exempt from the tax charge which normally applies to authorised surplus payments to an employer from the funds of a scheme (for example, the payment of wages to the people who administer the scheme).