

*These notes refer to the Pensions Act (Northern Ireland)
2012 (c.3) which received Royal Assent on 1 June 2012*

Pensions Act (Northern Ireland) 2012

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 2: Automatic Enrolment

Section 12: Test scheme standard for schemes that produce sum of money for provision of benefit

Sections 21, 22 and 23 of the Pensions (No. 2) Act set out the quality requirements for defined benefits schemes used by employers to discharge their automatic enrolment duties. Quality requirements are based on a test of overall scheme quality which requires employers to compare their scheme against a benchmark or model scheme.

At present the quality requirements have been designed for defined benefits schemes in which the member accrues a pension rather than a sum of money. *Section 12* amends sections 22 and 23 to accommodate defined benefits schemes which provide a sum of money to be used for purchasing an annuity from a provider or securing a pension within the scheme and introduces a regulation making power to enable the Department to provide for the detailed requirements for a test scheme for such schemes.