

## 1981 No. 32

## SOCIAL SECURITY

**The Contracting-out and Preservation (Further Provisions) Regulations  
(Northern Ireland) 1981**

*Made* . . . . . 6th February 1981

*Coming into operation* . . . . . 5th March 1981

The Department of Health and Social Services, in exercise of the powers conferred on it by Articles 33(7), 41(1), 42(3), 47(1) and 71(4) of, and paragraphs 1, 5 and 6 of Schedule 2 and paragraph 15(4) of Schedule 3 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 and commencement*

1. These regulations may be cited as the Contracting-out and Preservation (Further Provisions) Regulations (Northern Ireland) 1981 and shall come into operation on 5th March 1981.

*Amendment of the Occupational Pension Schemes (Contracting-out) Regulations  
(Northern Ireland) 1976*

2.—(1) Regulations 6, 7 and 9 of the Occupational Pension Schemes (Contracting-out) Regulations (Northern Ireland) 1976(b) shall be amended in accordance with the following provisions of this regulation.

(2) In the said regulation 6 (service that does not qualify for requisite benefits)—

(a) for paragraph (2) there shall be substituted the following paragraph—

“(2) Subject to the following provisions of this regulation, in cases to which this regulation applies the employment of an earner in employed earner’s employment shall be treated as contracted-out employment in relation to him, notwithstanding that his further service in the employment did not, does not, or will not qualify him for further benefits under the scheme, where the following conditions are satisfied, namely that—

(a) the earner’s service in employed earner’s employment has qualified him for benefit up to a limit imposed by the scheme;

(b) the annual rate of the benefit by way of pension for which the earner’s said service has qualified him is not less than half the salary on which it is calculated; and

(c) the total benefits payable under the scheme on termination of the employment to which the scheme applies include or comprise benefits which are in all respects (as to rate or amount or otherwise) the same as or more favourable than the guaranteed minimum pension to which the earner would be entitled having regard to the aggregate of the periods of service in that employment or in linked qualifying service during which the earner was in contracted-out employment and any periods of service in that employment which would be contracted-out employment by virtue of this regulation.”;

(a) S.I. 1975/1503 (N.I. 15)

(b) S.R. 1976 No. 29; relevant amending regulations are S.R. 1976 No. 101, 1977 No. 23 and 1978 Nos. 74 and 398.

- (b) paragraph (3) is hereby revoked;
- (c) in paragraph (4) for "paragraph (3)" there shall be substituted "paragraph (2)(c)".
- (3) In the said regulation 7 (commutation of pension) for "£52" wherever it appears there shall be substituted "£104".
- (4) In the said regulation 9 (termination of periods of contracted-out employment) there shall be inserted in paragraph (1)—
- (a) at the end of sub-paragraph (c) the words "except in a case where, within 6 months of the cancellation or surrender as aforesaid, or such longer period as the Department may allow in a particular case, he becomes a member in contracted-out employment of another contracted-out scheme under the same employer to which his accrued rights to requisite benefits are transferred"; and
- (b) at the end of sub-paragraph (d) the words "except in a case where, within 6 months of the variation as aforesaid, or such longer period as the Department may allow in a particular case, he again comes within the description of earners in relation to which the said contracting-out certificate applies or he becomes a member in contracted-out employment of another contracted-out scheme under the same employer to which his accrued rights to requisite benefits are transferred".

*Amendment of the Contracted-out Employment (Notifications, Premium Payment and Miscellaneous Provisions) Regulations (Northern Ireland) 1976*

3.—(1) Regulations 7 and 8 of the Contracted-out Employment (Notifications, Premium Payment and Miscellaneous Provisions) Regulations (Northern Ireland) 1976(a) shall be amended in accordance with the following provisions of this regulation.

(2) In paragraph (1) of the said regulation 7 (alternative to limited revaluation premium) for "any order or orders that come" there shall be substituted "the last order that comes".

(3) In paragraph (1) of the said regulation 8 (miscellaneous provisions)—

- (a) after "contracted-out scheme" there shall be inserted "or a scheme which has ceased to be contracted-out"; and
- (b) for "an accrued rights premium or a pensioner's rights premium" there shall be substituted "a state scheme premium".

*Amendment of the Occupational Pensions Board (Contracting-out Certificates) Regulations (Northern Ireland) 1976*

4. In the Occupational Pensions Board (Contracting-out Certificates) Regulations (Northern Ireland) 1976(b) for paragraph (2) of regulation 3 (date from which cancellation or variation of a contracting-out certificate is to have effect) there shall be substituted the following paragraph—

"(2) The date from which the cancellation or variation of a contracting-out certificate under regulation 4(1) of the Determinations and Review Procedure Regulations is to have effect may not be earlier than the date of the cancellation or variation, as the case may be, except—

- (a) in a case where the Board consider that the resources of the scheme have not been maintained at a sufficient level for meeting all claims in respect of guaranteed minimum pensions so far as falling to be met out of those

(a) S.R. 1976 No. 101, as amended by S.R. 1978 No. 74

(b) S.R. 1976 No. 78

resources, in which case the date may be the latest date on which, in the opinion of the Board, those resources were maintained at such a sufficient level; or

- (b) in a case where the earners in employments to which the contracting-out certificate applies have ceased to qualify for the requisite benefits of the scheme, in which case the date may be a date not earlier than the date on which, in the opinion of the Board, the said cessation occurred."

*Amendment of the Contracted-out Employment (Miscellaneous Provisions) Regulations (Northern Ireland) 1977*

5. In the Contracted-out Employment (Miscellaneous Provisions) Regulations (Northern Ireland) 1977(a) regulation 6 (priorities on the winding-up of a scheme) shall be amended by inserting after paragraph (2) the following paragraph—

"(3) An occupational pension scheme (not being a public service scheme) which contains provision enabling a member to qualify for additional pension or other benefits under the scheme by voluntarily paying to it contributions in addition to those, if any, which he must pay in order to qualify for the usual pension or other benefits provided by the scheme shall, if the Occupational Pensions Board (whether or not subject to conditions) so approve, be exempt from the requirements of Article 42(3) of the Pensions Order(b) (priorities on winding-up) to the following extent, namely that it shall not be required to accord priority on a winding-up to the liabilities specified in paragraphs (a) to (d) of the said Article 42(3) over liabilities of the scheme in respect of any pension or other benefits arising from payment of such additional voluntary contributions."

*Amendment of the Occupational Pension Schemes (Preservation of Benefit) Regulations (Northern Ireland) 1976*

6. In regulation 12 of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1976(c) (commutation of benefit) for "£52" wherever it appears there shall be substituted "£104".

Sealed with the Official Seal of the Department of Health and Social Services for Northern Ireland on 6th February 1981.

(L.S.)

T. S. Martin

Assistant Secretary

(a) S.R. 1977 No. 286, as amended by S.R. 1978 No. 74

(b) S.I. 1975/1503 (N.I. 15), Art. 42(3) was amended by Art. 18(8) of the Social Security (Miscellaneous Provisions) (Northern Ireland) Order 1977 (S.I. 1977/610 (N.I. 11))

(c) S.R. 1976 No. 153 to which there are amendments not relevant to these regulations

## EXPLANATORY NOTE

*(This note is not part of the Regulations.)*

These regulations amend those made under the Social Security Pensions (Northern Ireland) Order 1975 specified below.

Regulation 2 further amends the Occupational Pension Schemes (Contracting-out) Regulations (Northern Ireland) 1976 so as to ensure that where a member of an occupational pension scheme has reached a limit on benefit imposed by the scheme, his contracted-out employment can continue to be so contracted-out only if the rate of pension to which he is then entitled under the scheme is not less than half the salary on which it is calculated; it also raises the limit on the aggregate amount of benefit which includes a guaranteed minimum pension that may be commuted and extends the circumstances in which an earner's employment shall not be treated as having ceased to be contracted-out.

Regulation 3 further amends the Contracted-out Employment (Notifications, Premium Payment and Miscellaneous Provisions) Regulations (Northern Ireland) 1976 so as to extend to cases, where a scheme which has ceased to be contracted-out is being wound up, the provisions for treating an accrued rights premium or a pensioner's rights premium as paid, so as to extend the said provisions to apply also to contributions equivalent premiums and so as to make a minor consequential amendment.

Regulation 4 amends the Occupational Pensions Board (Contracting-out Certificates) Regulations (Northern Ireland) 1976 so as to enable the Occupational Pensions Board to cancel or vary a contracting-out certificate with retrospective effect where there have ceased to be any earners qualifying for requisite benefits in any contracted-out employment to which the contracting-out certificate applies.

Regulation 5 further amends the Contracted-out Employment (Miscellaneous Provisions) Regulations (Northern Ireland) 1977 so as to provide that where an occupational pension scheme makes provision for additional voluntary contributions then, where the Occupational Pensions Board so approve, the liabilities arising from those additional voluntary contributions may be exempted from the priority of liability requirements of Article 42(3) of the Social Security Pensions (Northern Ireland) Order 1975.

Regulation 6 further amends the Occupational Pension Schemes (Preservation of Benefit) Regulations (Northern Ireland) 1976 to raise the limit on the amount of preserved benefit that may be commuted.