

1987 No. 285

SOCIAL SECURITY

**The Occupational Pension Schemes (Transfer Values)
(Amendment) Regulations (Northern Ireland) 1987**

Made 10th July 1987

Coming into operation—

*for the purposes of
regulations 1 and 2(5)* 27th July 1987

for all other purposes 6th April 1988

The Department of Health and Social Services, in exercise of the powers conferred on it by paragraphs 12(2A) and (2B), 13 and 14 of Schedule 1A 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 (Transfer Values) (Amendment) Regulations (Northern Ireland) 1987 and shall come into operation—

(a) for the purposes of regulations 1 and 2(5), on 27th July 1987;

(b) for all other purposes on 6th April 1988.

(2) In these regulations “the principal regulations” means the Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1985(b).

Amendment of the principal regulations

2.—(1) The principal regulations shall be amended in accordance with paragraphs (2) to (5).

(2) In regulation 1(2) (interpretation)—

(a) at the beginning there shall be inserted the following definition—

“ “actual service” has the meaning given to that expression by paragraph 3(2) of Schedule 3;”;

(b) after the definition of “member” there shall be inserted the following definitions—

(a) S.I. 1975/1503 (N.I. 15); Schedule 1A was inserted by paragraph 3 of Schedule 1 to the Social Security (Northern Ireland) Order 1985 (S.I. 1985/1209 (N.I. 16)); sub-paragraphs (2A) and (2B) of paragraph 12 are inserted, and paragraphs 13 and 14 are amended, by paragraph 24 of Schedule 9 to the Social Security (Northern Ireland) Order 1986 (S.I. 1986/1888 (N.I. 18)); paragraphs 13 and 14 are modified, in relation to occupational pension schemes, by regulation 3(4) of, and Schedule 6 to, the Personal and Occupational Pension Schemes (Modification of Enactments) Regulations (Northern Ireland) 1987 (S.R. 1987 No. 294)

(b) S.R. 1985 No. 358; the relevant amending regulations are S.R. 1986 Nos. 114 and 362

- “ “personal pension scheme” has the meaning given to that expression by Article 2(2) of the Social Security (Northern Ireland) Order 1986(a);
- “protected rights” has the meaning given to that expression by Schedule 1 to the Social Security (Northern Ireland) Order 1986 as modified by Article 34(2B)(b);”;
- (c) for the definition of “scheme” there shall be substituted the following definition—
- “ “scheme”, except in the expression “personal pension scheme”, means occupational pension scheme;”.
- (3) In regulation 2(1)—
- (a) after “paragraph 13(2)(a) of Schedule 1A” there shall be inserted “(cash equivalent of member’s rights in a scheme to be used for acquiring transfer credits or rights under another scheme or personal pension scheme)”;
- (b) for sub-paragraph (a) there shall be substituted the following sub-paragraphs—
- “(a) if the member’s cash equivalent such as is mentioned in paragraph 12(1) of Schedule 1A (or any portion of it to be used under paragraph 13(2)(a) of that Schedule) is or includes the cash equivalent of his accrued rights to guaranteed minimum pensions under a scheme, then the scheme or personal pension scheme under whose rules transfer credits or rights are acquired is one to which those accrued rights may be transferred, or to which a transfer payment in respect of those accrued rights may be made, in accordance with regulation 2 or 2B, as the case may be, of the Contracting-out (Transfer) Regulations (Northern Ireland) 1985(c), as amended by the Contracting-out (Transfer) (Amendment) Regulations (Northern Ireland) 1987(d);
- (aa) if the member’s cash equivalent such as is mentioned in paragraph 12(1) of Schedule 1A (or any portion of it to be used under paragraph 13(2)(a) of that Schedule) is or includes the cash equivalent of his protected rights, then the scheme or personal pension scheme under whose rules transfer credits or rights are to be acquired is one to which a transfer payment in respect of protected rights may be made in accordance with regulations 2 and 3 of the Protected Rights (Transfer Payment) Regulations (Northern Ireland) 1987(e);”;
- (c) in sub-paragraph (b)—
- (i) after “the scheme from which rights are transferred” there shall be inserted “or from which a transfer payment is made”, and

(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

(c) S.R. 1985 No. 243; the relevant amending regulations are S.R. 1986 No. 342

(d) S.R. 1987 No. 277

(e) S.R. 1987 No. 296

- (ii) for “the scheme to which rights are transferred” there shall be substituted “the scheme or personal pension scheme to which rights are transferred or to which a transfer payment in respect of rights is made”.

(4) After regulation 2 there shall be inserted the following regulations—

“Reduction of the cash equivalent specified in paragraph 12(1) of Schedule 1A

2A.—(1) For the purposes of paragraph 12(2A) of Schedule 1A, where a member continues in employment to which a scheme applies after his pensionable service in that employment terminates and—

- (a) his pensionable service terminated at his request; and
- (b) the relevant date is the date when his pensionable service terminated, or where the relevant date is the date of the relevant application, his pensionable service, but for that request, would have continued until that date,

he acquires a right to the cash equivalent of only that part of the benefits specified in paragraph 12(1) of that Schedule which is specified in paragraph (2).

(2) The part referred to in paragraph (1) is—

- (a) where the benefits are money purchase benefits, such part of them as has accrued to or in respect of him after 5th April 1988; and
- (b) in any other case—
 - (i) where the benefits have accrued to or in respect of him as a result of his actual service, the same proportion of them as his actual service after 5th April 1988 bears to his total actual service,
 - (ii) where the benefits have accrued to or in respect of him as a result of service notionally attributed to him, or service treated by scheme rules as being longer or shorter than it actually is, such part of them as was credited to him after 5th April 1988, and
 - (iii) where heads (i) and (ii) both apply, the aggregate of the benefits derived separately under each of those heads.

Treatment of a number of employments as single employment

2B. For the purposes of paragraph 12(2A) of Schedule 1A, where a member’s employment to which a scheme applies terminates but that member enters again into employment to which that scheme applies, then, if there is between those 2 employments—

- (a) an interval not exceeding one month; or
- (b) an interval of any length if the second of the employments results from the exercise of a right to return to work under Article 28(1) of the Industrial Relations (No. 2) (Northern Ireland) Order 1976(a) (right to return to work following pregnancy or confinement),

they shall be treated as a single employment.”.

(5) In regulation 3(2)(b)(ii) for “issued on 18th December 1985” there shall be substituted “current at the date of the calculation”.

Sealed with the Official Seal of the Department of Health and Social Services on 10th July 1987.

(L.S.)

A. N. Burns

Assistant Secretary

EXPLANATORY NOTE

(This note is not part of the Regulations.)

These regulations are made under provisions of the Social Security Pensions (Northern Ireland) Order 1975 as modified with effect from 6th April 1988 in relation to occupational pension schemes by the Social Security (Modification of Enactments) Regulations (Northern Ireland) 1987. They amend the Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1985 (“the principal regulations”).

Regulation 2(2) amends regulation 1(2) of the principal regulations (interpretation).

Regulation 2(3) amends regulation 2(1) of the principal regulations so that it extends to members of occupational pension schemes who opt to have their transfer value used to acquire transfer credits or rights under the rules of a money purchase contracted-out scheme or a personal pension scheme.

Regulation 2(4) inserts new regulations 2A and 2B into the principal regulations. They provide for the right to a cash equivalent to be limited in circumstances where a former member of a scheme remains in employment to which that scheme applies after leaving the scheme voluntarily.

Regulation 2(5) amends regulation 3(2)(b)(ii) of the principal regulations so as to provide that the publication “Retirement Benefit Schemes — Transfer Values (GN11)” referred to in that provision is to be the one current on the date when the calculation of a transfer value is to be made. The current edition of that publication may be obtained from the Institute of Actuaries, Staple Inn Hall, High Holborn, London WC1V 7QJ, and from the Faculty of Actuaries, 23 St. Andrew Square, Edinburgh EH2 1AQ.

The remaining amendments made by these regulations are minor or consequential.