

1988 No. 107

SOCIAL SECURITY

**The Personal and Occupational Pension Schemes (Tax Approval
and Miscellaneous Provisions) Regulations
(Northern Ireland) 1988**

Made 25th March 1988

Coming into operation—

regulations 1 to 4, 6 to 9 6th April 1988
regulation 5—

for the purposes of
occupational pension schemes 6th April 1988

for the purposes of
personal pension schemes 1st July 1988

The Department of Health and Social Services, in exercise of the powers conferred on it by Articles 53C(5) and 58A(1) (as modified by paragraph 1 of Schedule 2 to the Personal and Occupational Pension Schemes (Modification of Enactments) Regulations (Northern Ireland) 1987(a)) and (3) of, and paragraph 13 (as modified by paragraph 9 of Schedule 4 to the Personal and Occupational Pension Schemes (Modification of Enactments) Regulations (Northern Ireland) 1987) of Schedule 1A to, the Social Security Pensions (Northern Ireland) Order 1975(b) and Articles 2(2) and 18(1) of, and paragraphs 3 and 7(2) (both as modified by Article 34(2B) of the Social Security Pensions (Northern Ireland) Order 1975(b)) and 9(8) of Schedule 1 to, the Social Security (Northern Ireland) Order 1986(c) and of all other powers enabling it in that behalf, hereby makes the following regulations:

Citation and commencement

1.—(1) These regulations may be cited as the Personal and Occupational Pension Schemes (Tax Approval and Miscellaneous Provisions) Regulations (Northern Ireland) 1988.

(2) Subject to paragraph (3), these regulations shall come into operation as follows—

(a) S.R. 1987 No. 294

(b) S.I. 1975/1503 (N.I. 15); Article 34(2B) is inserted by paragraph 6(b) of Schedule 2 to the Social Security (Northern Ireland) Order 1986 (S.I. 1986/1888 (N.I. 18)); Article 53C was inserted by paragraph 2 of Schedule 1 to the Social Security (Northern Ireland) Order 1985 (S.I. 1985/1209 (N.I. 16)) and amended by paragraph 17 of Schedule 9 to the Social Security (Northern Ireland) Order 1986; Article 58A was inserted by Schedule 2 to the Social Security (Northern Ireland) Order 1985; Schedule 1A was inserted by paragraph 3 of Schedule 1 to the Social Security (Northern Ireland) Order 1985 and paragraph 13 of Schedule 1A was amended by paragraph 24(c) of Schedule 9 to the Social Security (Northern Ireland) Order 1986. *See also* Article 2(3)

(c) S.I. 1986/1888 (N.I. 18)

(a) regulations 1 to 4 and 6 to 9 on 6th April 1988; and

(b) regulation 5—

(i) for the purposes of occupational pension schemes on 6th April 1988, and

(ii) for the purposes of personal pension schemes on 1st July 1988.

(3) Regulation 2 shall come into operation on 6th April 1988 immediately after regulation 6(5) of the Personal and Occupational Pension Schemes (Consequential Provisions) Regulations (Northern Ireland) 1987(a) comes into operation and regulation 4 and, for the purposes of occupational pension schemes, regulation 5 and, for all purposes, regulation 9 shall come into operation on 6th April 1988 immediately after the provisions which they amend come into operation.

Amendment of the Occupational Pension Schemes (Discharge of Liability) Regulations (Northern Ireland) 1985

2. In regulation 5(a) of the Occupational Pension Schemes (Discharge of Liability) Regulations (Northern Ireland) 1985(b) the words “or her widower” shall be omitted.

Amendment of the Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1985

3. Regulation 2 of the Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1985(c) shall be amended in accordance with paragraphs (a) and (b)—

(a) in paragraph (1)(b) for “either” there shall be substituted “any” and for “(a) and (b)” there shall be substituted “(a), (b) or (e)”; and

(b) in paragraph (3)—

(i) in sub-paragraph (c) at the end “and” shall be omitted,

(ii) in sub-paragraph (d) at the end for the full-stop there shall be substituted “; and”, and

(iii) after sub-paragraph (d) there shall be inserted the following sub-paragraph—

“(e) a scheme which is approved by the Commissioners of Inland Revenue under Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988(d).”.

Amendment of the Money Purchase Contracted-out Schemes Regulations (Northern Ireland) 1987

4. For paragraph 4 of the Schedule to the Money Purchase Contracted-out Schemes Regulations (Northern Ireland) 1987(e) there shall be substituted the following paragraph—

(a) S.R. 1987 No. 292

(b) S.R. 1985 No. 356; the words omitted by regulation 2 were inserted by S.R. 1987 No. 292, regulation 6(5)

(c) S.R. 1985 No. 358; the relevant amending regulations are S.R. 1986 No. 362 and S.R. 1987 No. 285

(d) 1988 c. 1

(e) S.R. 1987 No. 279

“4. An interest-bearing account (including, in the case of a building society, a share or deposit account) with—

- (a) a building society as defined in the Building Societies Act 1986(a);
- (b) a pension company within the meaning of the Building Societies (Designation of Pension Companies) Order 1987(b) which is an associated body of a building society within the meaning of section 18(17) of the Building Societies Act 1986;
- (c) an institution authorised under Part I of the Banking Act 1987(c).”.

Amendment of the Pension Schemes (Voluntary Contributions Requirements and Voluntary and Compulsory Membership) Regulations (Northern Ireland) 1987

5. After regulation 2 of the Pension Schemes (Voluntary Contributions Requirements and Voluntary and Compulsory Membership) Regulations (Northern Ireland) 1987(d) there shall be inserted the following regulation—

“Provisions of the Income and Corporation Taxes Act 1988 under which tax-exemption or tax-approval may be given for the purposes of Article 14

2A. For the purposes of Article 14 (which exempts scheme rules from the need to comply with that Article to the extent necessary to qualify for tax-exemption or tax-approval) “tax-exemption” and “tax-approval” mean respectively exemption from tax and approval of the Inland Revenue under either Chapter I or Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988.”.

Amendment of the Personal Pension Schemes (Disclosure of Information) Regulations (Northern Ireland) 1987

6. The Personal Pension Schemes (Disclosure of Information) Regulations (Northern Ireland) 1987(e) shall be amended in accordance with paragraphs (a) to (e)—

- (a) in regulation 4(5) after “4” there shall be inserted “,5A”;
- (b) in regulation 4(6) after “3,” there shall be inserted “5B,”;
- (c) in regulation 5(3) for “Where the scheme is not” there shall be substituted “Whether or not the scheme is or has been”;
- (d) after paragraph 5 of Schedule 1 there shall be inserted the following paragraphs—

“5A. Whether the scheme is approved by the Commissioners of Inland Revenue either—

- (a) as a personal pension scheme under Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988; or

(a) 1986 c. 53
(b) S.I. 1987/1871
(c) 1987 c. 22
(d) S.R. 1987 No. 286
(e) S.R. 1987 No. 288

(b) as a retirement benefits scheme under Chapter I of that Part of that Act by reference to section 591(2)(h) of that Act, and if not whether an application for such approval is under consideration by the Commissioners.

- 5B. How tax relief on members' contributions is effected.”; and
- (e) in paragraph 1(a) of Schedule 2 after “the Order” there shall be inserted “(identifying separately that part of the contributions which is attributable to tax relief on the employee’s share of minimum contributions, being the difference between that share and the grossed-up equivalent of that share; the expression “employee’s share” and “grossed-up equivalent” having the meanings given to them by section 649(2) of the Income and Corporation Taxes Act 1988)”.

Amendment of the Personal Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1987

7. Regulation 2(a) of the Personal Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1987(a) shall be amended in accordance with paragraphs (a) to (c)—

- (a) in sub-paragraph (ii) at the end “or” shall be omitted;
- (b) after sub-paragraph (ii) there shall be inserted the following sub-paragraph —
- “(iii) is a scheme which is approved by the Commissioners of Inland Revenue under Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988, or”; and
- (c) sub-paragraph (iii) shall be re-numbered as sub-paragraph (iv).

Amendment of the Personal and Occupational Pension Schemes (Modification of Enactments) Regulations (Northern Ireland) 1987

8. The Personal and Occupational Pension Schemes (Modification of Enactments) Regulations (Northern Ireland) 1987 shall be amended in accordance with paragraphs (a) to (c)—

- (a) in regulation 2(4) for “the Personal Pension Schemes (Appropriate Schemes) Regulations (Northern Ireland) 1987” there shall be substituted “the Personal Pension Schemes (Appropriate Schemes) Regulations (Northern Ireland) 1988(b)”;
- (b) in regulation 3—
- (i) in paragraph (1) for “paragraphs (2) to (6)” there shall be substituted “paragraphs (2) to (7)”, and
- (ii) after paragraph (6) there shall be inserted—
- “(7) Paragraphs 9(2)(a) and 15(3)(b) of Schedule 3 shall have effect as if “scheme” included a personal pension scheme.”; and

(a) S.R. 1987 No. 290

(b) S.R. 1988 No. 34

- (c) in paragraph 16(b) of Schedule 4 after “Article 43E(2)(a), (b) and (d)” there shall be inserted “but as if in sub-paragraph (d) of that paragraph “or prospective member” were omitted”.

Amendment of the Personal and Occupational Pension Schemes (Protected Rights) Regulations (Northern Ireland) 1987

9. The Personal and Occupational Pension Schemes (Protected Rights) Regulations (Northern Ireland) 1987(a) shall be amended in accordance with paragraphs (a) to (d)—

(a) in regulation 3—

- (i) in paragraph (b) at the end “and” shall be omitted;
- (ii) in paragraph (c) for “the Personal Pension Schemes (Appropriate Schemes) Regulations (Northern Ireland) 1987” there shall be substituted “the Personal Pension Schemes (Appropriate Schemes) Regulations (Northern Ireland) 1988” and for the full stop at the end there shall be substituted “; and”, and
- (iii) after paragraph (c) there shall be inserted the following paragraph—

“(d) in the case of a personal pension scheme, a payment attributable to tax relief on the employee’s share of minimum contributions, being the difference between that share and the grossed-up equivalent of that share; the expressions “employee’s share” and “grossed-up equivalent” having the meanings given to them by section 649(2) of the Income and Corporation Taxes Act 1988.”;

(b) in regulation 9(a) after “defined in that Act” there shall be inserted “or is a friendly society which satisfies the conditions set out in regulation 3(2) of the Personal Pension Schemes (Appropriate Schemes) Regulations (Northern Ireland) 1988”; and

(c) after regulation 14 there shall be inserted the following regulations—

“Tax-exemption and tax-approval

15. For the purposes of paragraph 12 of Schedule 1 (nothing in Schedule 1 to be taken to prejudice any requirements with which a scheme must comply if it is to qualify for tax-exemption or tax-approval) “tax-exemption” and “tax-approval” mean respectively exemption from tax and approval of the Inland Revenue under Chapter I or Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988.”.

Sealed with the Official Seal of the Department of Health and Social Services on 25th March 1988.

(L.S.)

A. N. Burns

Assistant Secretary

EXPLANATORY NOTE

(This note is not part of the Regulations.)

These regulations amend various regulations about personal and occupational pension schemes to take account of the provisions of the Finance (No. 2) Act 1987 (c. 51) (now consolidated in the Income and Corporation Taxes Act 1988) relating to the tax-approval and tax-exemption of such schemes and make other miscellaneous provisions.

Regulation 1 is formal.

Regulation 2 revokes the amendment made to regulation 5(a) of the Occupational Pension Schemes (Discharge of Liability) Regulations (Northern Ireland) 1985 by regulation 6(5) of the Personal and Occupational Pension Schemes (Consequential Provisions) Regulations (Northern Ireland) 1987 so that before the guaranteed minimum pension of the widower of a pension scheme member can be bought out under Article 53C of the Social Security Pensions (Northern Ireland) Order 1975 he must make a written request or give written consent.

Regulation 3 adds a further category of tax-approved pension scheme to those listed in regulation 2(3) of the Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1985 as being of a kind to which pension rights may be transferred, namely a scheme approved under Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988.

Regulation 4 replaces references in the Schedule to the Money Purchase Contracted-out Schemes Regulations (Northern Ireland) 1987 to the Banking Act 1979 (c. 37) with reference to the Banking Act 1987 and also adds shares in and deposits with a building society and investments with a pension company which is an associated body of a building society as permitted investments.

Regulation 5 amends the Pension Schemes (Voluntary Contributions Requirements and Voluntary and Compulsory Membership) Regulations (Northern Ireland) 1987 so as to specify the provisions of the Income and Corporation Taxes Act 1988 under which tax-exemption or tax-approval may be given for the purposes of Article 14 of the Social Security (Northern Ireland) Order 1986 permitting voluntary contributions to a pension scheme.

Regulation 6 amends the Personal Pension Schemes (Disclosure of Information) Regulations (Northern Ireland) 1987 so as to add to the categories of information listed in Schedule 1 (basic information to be disclosed to members and other specified persons) information about whether the scheme is tax-approved or an application for approval is pending and how tax relief on members' contributions is effected. It also amends paragraph 1(a) of Schedule 2 (information to be made available to individuals) so as to require information to be given about what part of the contributions credited to a member of a scheme is attributable to tax relief on his share of minimum contributions.

Regulation 7 adds to the categories of tax-approved schemes permitted to receive transfers under regulation 2 of the Personal Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1987 those schemes approved under Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988.

Regulation 8 amends the Personal and Occupational Pension Schemes (Modification of Enactments) Regulations (Northern Ireland) 1987 so as to apply the provisions of Schedule 3 to the Social Security Pensions (Northern Ireland) Order 1975 (preservation of benefit) relating to alternatives to and surrender of short service benefit to personal pension schemes.

Regulation 9 amends the Personal and Occupational Pension Schemes (Protected Rights) Regulations (Northern Ireland) 1987 by adding a further category of protected rights to those listed in regulation 3, namely rights to money purchase benefits derived from a payment attributable to tax relief on the employee's share of minimum contributions.